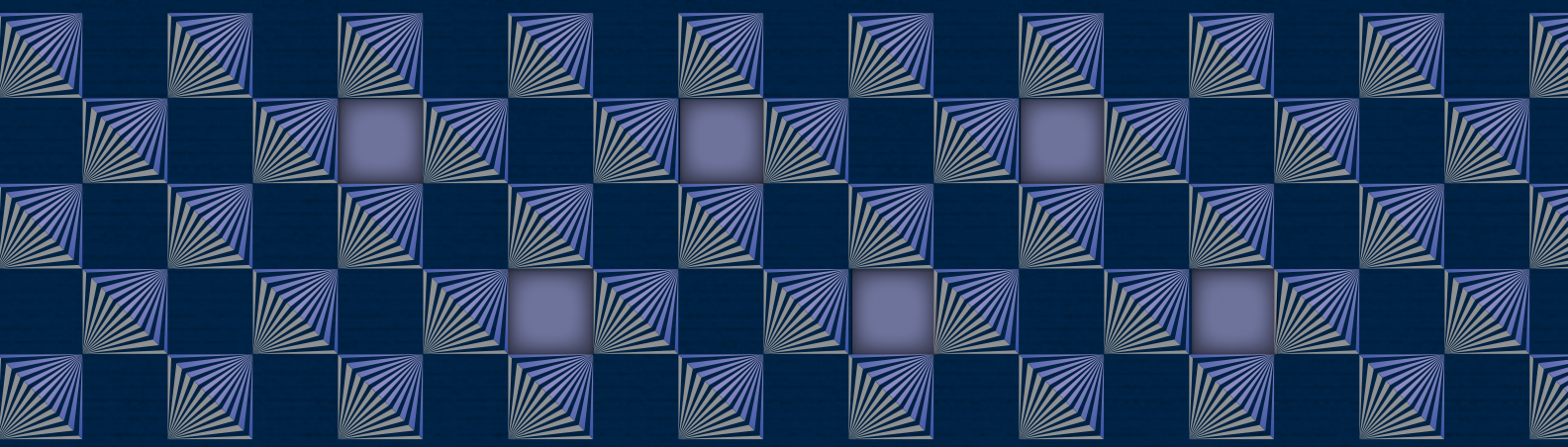
NEENAH



NEENAH, INC.
2021 ANNUAL REPORT

NEENAH INC

NOTICE OF 2022 ANNUAL MEETING OF STOCKHOLDERS AND PROXY STATEMENT

TO OUR STOCKHOLDERS

On behalf of the Board of Directors, it is my pleasure to invite you to attend the 2022 Annual Meeting of Stockholders of Neenah, Inc. to be held on Thursday, May 19, 2022 at 3:00 p.m. ET. To help improve accessibility, we will continue to hold the 2022 Annual Meeting virtually via live webcast. Additional information regarding the 2022 Annual Meeting may be found in the attached Proxy Statement.

Looking back on 2021, I am proud of the decisive actions of our team to drive top and bottom line growth, address the near-term headwinds of a volatile and unpredictable manufacturing environment, and advance our strategic agenda in alignment with our long-term goals. We saw both businesses recover from the impacts of the COVID-19 global pandemic. Our team met the challenges of input cost and availability pressures, supply chain disruption, and labor shortages head-on with announced pricing and cost containment actions, the benefits of which will continue into 2022. Perhaps most significantly, against this dynamic backdrop, we made meaningful advancements in our safety performance. This is a credit to our employees, whose health and well-being are always our top priority.

We continued to activate our strategy for long-term shareholder value creation. We have a clear strategic framework focused on our four key Growth Platforms: Filtration, Specialty Coatings, Engineered Materials, and Image & Packaging. Our teams continue to prioritize investments and resources to support this growth agenda, and we made significant advancements in 2021, including:

- Acquiring ITASA, a leading global manufacturer of release liners with a strong history of growth and attractive margins
- Executing several operational initiatives, including the restart of an idled asset to support growth in premium packaging and the closure of our Appleton, Wisconsin
- Announcing organic growth investments in both Filtration and Specialty Coating, two of our highest growth and highest margin segments
- Implementing the Neenah Operating System (NOS), a LEAN principle and methodology approach to drive safety, capacity, and cost improvements
- Reinvigorating our innovation efforts and launching a number of new products that drive growth and margins
- Refinancing our debt to provide a more flexible capital structure and lower interest expense
- Advancing our efforts on environmental, social, and governance initiatives
- Raising our dividend for the 11th consecutive year

Our growth prospects and potential for value creation are enhanced further by the recent announcement of our merger agreement with Schweitzer-Mauduit International, Inc. ("SWM"), forming a global leader in specialty materials with approximately $3 billion in pro forma combined 2022 revenue, attractive margins and robust growth prospects. Further, this combination is a meaningful acceleration of our strategy, with numerous commercial and financial benefits outlined in our recent investor presentation, including at least $65 million of projected cost synergies within 24-26 months of closing.

We believe that this transformational merger builds on an already promising future, and I could not be more excited about the promise of the new company. With our combined workforce of talented and passionate employees, strong financial position, track record of execution, strategic focus, and key catalysts in place, we believe we have a clear roadmap to create long-term value for our customers, suppliers, employees, and shareholders. We will ask you at another time to vote at a special meeting to approve the transaction, but I look forward to updating you on our progress.

The formal business to be transacted at the 2022 Annual Meeting includes:

- Election of the two nominees detailed in this Proxy Statement as Class III directors for a three-year term;
- Approval of an advisory vote on the Company's executive compensation;
- Ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the year ending December 31, 2022.

At the meeting, our directors and executive officers, as well as representatives from Deloitte & Touche LLP, will be in attendance to answer any questions. Regardless of whether you choose to participate or not, please either vote electronically, by telephone, or follow the procedures for requesting written copies of the proxy materials described in the attached Proxy Statement and return the proxy card at your earliest convenience. This will assure your shares will be represented and voted at the 2022 Annual Meeting.

As I conclude, I would like to extend my gratitude to the key stakeholders who enable Neenah's success. The last two years have clearly shown the value of an agile and dedicated workforce, the deep and strong relationships we have with both our customers and suppliers, and the support we have from our shareholders. I'd also like to thank our Board of Directors for their continued direction and support with special gratitude extended to Tim Lucas, who will be stepping down this year after more than 15 years of outstanding service on our Board of Directors, and as Chair of our Audit Committee.

On behalf of our Board of Directors, thank you for your support and trust.

Sincerely,

Julie A. Schertell
President and Chief Executive Officer

NOTICE OF 2022 ANNUAL MEETING OF STOCKHOLDERS

Meeting Date:
May 19, 2022

Meeting Time:
3:00 p.m. ET

Meeting Place:
www.virtualshareholdermeeting.com/NP2022

Record Date:
March 25, 2022

Matters that will be voted upon:

1. A proposal to elect the two nominees named as Class III directors in the attached Proxy Statement to serve until the 2025 Annual Meeting of Stockholders;
2. A proposal to approve, on an advisory basis, the Company's executive compensation;
3. A proposal to ratify the appointment of Deloitte & Touche LLP as the independent registered public accounting firm of amount Neenah, Inc. for the year ending December 31, 2022; and
4. Such other business as properly may come before the Annual Meeting or any adjournments thereof. The Board of Directors is not aware of any other business to be presented to a vote of the stockholders at the Annual Meeting.

NOTICE HEREBY IS GIVEN that the 2022 Annual Meeting of Stockholders of Neenah, Inc. will be held virtually via live webcast on Thursday, May 19, 2022 at 3:00 p.m. ET. The attached Proxy Statement sets out information relating to the above matters. Stockholders of record at the close of business on March 25, 2022 are entitled to receive notice of and to vote during the live webcast and any adjournments thereof. Stockholders can attend the virtual meeting by visiting www.virtualshareholdermeeting.com/NP2022 and using the 16-digit control number found on their proxy card. Stockholders will be able to vote their shares electronically and submit questions during the meeting. Whether or not you plan to attend the virtual meeting, all stockholders are encouraged to vote in advance by using one of the methods described in the attached Proxy Statement.

At the Annual Meeting, shareholders will not be voting on the recently-announced merger agreement with Schweitzer-Mauduit International, Inc. Shareholders will receive a separate proxy statement and related materials before the special meeting we intend to hold to seek shareholder approval for the merger.

This Proxy Statement and the 2021 Annual Report to Stockholders are available on our Investor Relations webpage at: www.neenah.com.

By order of the Board of Directors.

Noah S. Benz
Executive Vice President, General Counsel and Secretary
Alpharetta, Georgia
April 8, 2022

PLEASE READ THE ATTACHED PROXY STATEMENT AND THEN VOTE ELECTRONICALLY, BY TELEPHONE, OR REQUEST PRINTED PROXY MATERIALS AND PROMPTLY COMPLETE, EXECUTE, AND RETURN THE PROXY CARD INCLUDED WITH THE PROXY MATERIALS IN THE ACCOMPANYING POSTAGE-PAID ENVELOPE.

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PROXY STATEMENT SUMMARY

Our Board of Directors is soliciting proxies from our stockholders in connection with Neenah's Annual Meeting of Stockholders. When used in this Proxy Statement, the terms "we," "us," "our," "the Company," and "Neenah" refer to Neenah, Inc. and its consolidated subsidiaries. The approximate date on which this Proxy Statement is being filed and notice is being sent or given to stockholders of record is April 8, 2022.

This summary highlights information contained in the Proxy Statement. It does not include all of the information that you should consider prior to voting and we encourage you to read the entire document prior to voting.

For more complete information regarding Neenah's financial performance, please review the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

STOCKHOLDERS ARE BEING ASKED TO VOTE ON THE FOLLOWING MATTERS AT THE 2022 ANNUAL MEETING:

	Description	Item	Board Recommendation	Page
	Election of Directors The Board and the Nominating and Corporate Governance Committee believe that the two Class III director nominees possess the necessary qualifications, attributes, skills and experiences to provide quality advice and counsel to the Company's management and effectively oversee the business and the long-term interests of stockholders.	1	FOR Each Director Nominee	44
	Advisory Vote to Approve Executive Compensation The Company seeks a non-binding advisory vote to approve the compensation of its named executive officers as described in the Compensation Discussion and Analysis section beginning on page 19 and the Executive Compensation Tables section beginning on page 35. The Board values stockholders' opinions, and the Compensation Committee will take into account the outcome of the advisory vote when considering future executive compensation decisions.	2	FOR	45
	Ratification of the Appointment of Deloitte & Touche LLP, as Independent Auditors The Audit Committee and the Board believe that the retention of Deloitte & Touche LLP to serve as the Independent Auditors for the year ending December 31, 2022 is in the best interest of the Company and its stockholders. As a matter of good corporate governance, stockholders are asked to ratify the Audit Committee's selection of the Independent Auditors.	3	FOR	46

BOARD OF DIRECTORS

CLASS III DIRECTORS – NOMINATED FOR RE-ELECTION:

Shruti Singhal

Shruti Singhal is the Chief Executive Officer of Chroma Color Corporation, a leading formulator, and specialty color and additive concentrates supplier. Mr. Singhal has worked in North America and Europe with companies like Henkel, Cognis (now BASF), Rohm & Haas, The Dow Chemical Company, Ashland, Solenis and others throughout his career. Before joining Chroma Color, he served as President of DSM's Engineering Materials Business. He received a bachelor's degree in chemical engineering and a master's degree in chemical engineering from Drexel University. He also completed the Global Marketing Management Program at The Wharton School at the University of Pennsylvania. Mr. Singhal was appointed to Neenah's Board in July 2021. Mr. Singhal's educational background and extensive experience in the specialty materials industry make him an effective member of Neenah's Board.

Age
53

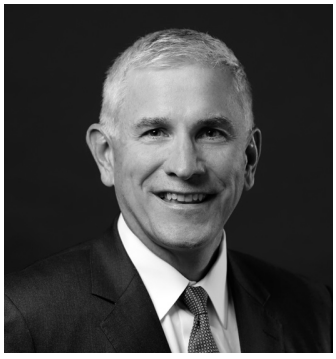
Race/Ethnicity
Asian/Non-Hispanic

Director Since
2021

Committees
Audit Committee

Public Directorship Experience
N/A

Independent
Yes



Tony R. Thene

Tony R. Thene currently serves as director and Chief Executive Officer of Carpenter Technology Corporation, a leader in specialty alloy-based materials and process solutions. Mr. Thene began his career at Carpenter in 2013 as Chief Financial Officer and has served as director and Chief Executive Officer since 2015. Prior to joining Carpenter, Mr. Thene served as Chief Financial Officer of the Engineered Products and Solutions Business Group at Alcoa, Inc. from 2010 until 2013. Previously, he served as Vice President, Controller and Chief Accounting Officer of Alcoa. He also previously held various other positions during his 23-year career at Alcoa, including Director, Investor Relations; Chief Financial Officer for the Flat Rolled Products Group; Chief Financial Officer for Alcoa World Alumina and Chemicals; and manufacturing manager for the Alumina Chemicals business. Mr. Thene received his BS in Accounting from Indiana State University and his MBA from the Weatherhead School of Management at Case Western Reserve University. Mr. Thene has served as a director of Neenah since 2019. Mr. Thene's educational background, financial expertise, and extensive experience in the specialty materials industry make him an effective member of Neenah's Board.

Age
61

Race/Ethnicity
White/Non-Hispanic

Director Since
2019

Committees
Nominating and Corporate Governance Committee
Compensation Committee

Public Directorship Experience
Carpenter Technology Corporation

Independent
Yes

CLASS I DIRECTORS – TERM EXPIRING AT THE 2023 ANNUAL MEETING:

William M. Cook

William M. Cook serves as our Non-Executive Chair of the Board. Mr. Cook is the retired Executive Chair (2015 -2016) of Donaldson Company, Inc., a technology driven global company that designs and manufactures filtration systems and their replacement parts. Mr. Cook was also the Chair (2005 - 2015), President and Chief Executive Officer (2004 - 2015) of Donaldson. Prior to that, Mr. Cook held various roles at Donaldson of increasing responsibility in both the U.S. and Europe, including service as Chief Financial Officer (2001 - 2004); Senior Vice President, International (2000 - 2004); and Senior Vice President, Commercial and Industrial (1994 - 2000). Mr. Cook is also currently a Director of IDEX Corporation (where he serves as the Non-Executive Chair of the Board and on the Audit Committee). He is also currently a Director of AXALTA Coating Systems, Ltd. (where he serves as the Non-Executive Chair of the Board and on the Audit Committee. Mr. Cook was a Director of Valspar Corporation (where he served on the Audit Committee) from 2010 to 2017. Mr. Cook brings to the Neenah Board his 35 years of filtration industry and operations experience and financial expertise at Donaldson where he held a wide range of financial and business positions with global responsibilities. Mr. Cook is an experienced public company Board member having served on the Donaldson Board from 2004 - 2016 and as an independent Director for IDEX, Neenah, AXALTA, and Valspar. Mr. Cook also has valuable Board experience from his past service to various private and charitable organizations. Mr. Cook has served as a Director of Neenah since 2016. Mr. Cook holds a BS degree in Business Management and an MBA degree from Virginia Polytechnic Institute and State University (Virginia Tech). Mr. Cook's educational background, financial expertise, and extensive global experience in leading technology industries makes him an effective member of Neenah's Board.

Age
68

Race/Ethnicity
White/Non-Hispanic

Director Since
2016

Committees
Audit Committee

Public Directorship Experience
AXALTA Coating Systems, Ltd.
Donaldson Company Inc.
IDEX Corporation
Valspar Corporation

Independent
Yes

Philip C. Moore

Philip C. Moore retired as Senior Vice President, Deputy General Counsel and Corporate Secretary of TD Bank Group, Toronto, Canada on December 31, 2016. Mr. Moore joined TD Bank Group in May 2013, before which he had been a partner at McCarthy Tétrault LLP, Canada's national law firm where he practiced corporate and securities law in Toronto and Sydney, Australia, with particular emphasis on corporate governance, finance, mergers and acquisitions, and other business law issues. He has been involved in many corporate mergers, acquisitions, dispositions, and reorganizations, as well as capital markets transactions in a variety of industries and geographies. Mr. Moore has extensive experience in corporate transactions involving the pulp and paper industries. Mr. Moore has been awarded "Chartered Director" from the Directors College, Canada's leading director education program run by McMaster University and the Conference Board of Canada. He has advised on the design and implementation of numerous executive compensation plans and executive compensation governance matters. From 1994 until 2000, he was a director of Imax Corporation and is currently a director of several private corporations. Mr. Moore has served as a director of Neenah since 2004. Mr. Moore received his BA from McMaster University and his LLB from Queen's University. Mr. Moore's educational background and extensive experience in corporate governance and business law make him an effective member of Neenah's Board.

Age
68

Race/Ethnicity
White/Non-Hispanic

Director Since
2004

Committees
Audit Committee
Nominating and Corporate Governance Committee

Public Directorship Experience
Imax Corporation

Independent
Yes

Julie A. Schertell

Julie A. Schertell is the President & Chief Executive Officer of the Company. Ms. Schertell has been in this role since May 2020. Before this role, Ms. Schertell served as Chief Operating Officer from January 2020 to May 2020, President of Technical Products from September 2018 to December 2019, and President of Fine Paper & Packaging, from January 2011 to September 2018. Ms. Schertell joined the Company in 2008 and served as Vice President of Sales and Marketing for the Fine Paper division through December 2010. Ms. Schertell was previously employed by Georgia-Pacific Corporation in the Consumer Products division where she served as Vice President of Sales Strategy from 2007 to 2008, and as Vice President of Customer Solutions from 2003 through 2007. Ms. Schertell has served as a director of Neenah since 2020. Ms. Schertell's extensive experience in the industrials and consumer products industries, and leadership positions in the Company make her an effective member of Neenah's Board.

Age
53

Race/Ethnicity
White/Non-Hispanic

Director Since
2020

Committees
N/A

Public Directorship Experience
N/A

Independent
No

CLASS II DIRECTORS – TERM EXPIRING AT THE 2024 ANNUAL MEETING:

Margaret S. Dano

Margaret S. Dano is the former Chair of the Board for Superior Industries International, Inc., a leading manufacturer of aluminum road wheels in the automobile and light truck industry. Ms. Dano was appointed as Chair of the Board in 2014 and served as a director for Superior from 2007 to 2017. In addition, Ms. Dano currently serves as a director of Douglas Dynamics, Inc., a snow and ice control equipment manufacturer for the global light truck market, a position she has held since 2012, where she chairs the Governance Committee and serves on the Compensation and Audit Committees. From 2002 to 2005, Ms. Dano served as Vice President, Worldwide Integrated Supply Chain and Operations for Honeywell Corporation. Before that, she served as Vice President, Worldwide Supply Chain Office Products & GM Printer Papers for Avery Dennison Corporation from 1999 to 2002 and Vice President of Corporate Manufacturing & Engineering from 1996 to 1999. Ms. Dano received a BS in mechanical engineering from Kettering University (formerly the General Motors Institute). Ms. Dano has served as a director of Neenah since 2015. Ms. Dano's senior executive experience in global manufacturing and supply chain and her public board experience and leadership with manufacturing companies make her an effective member of Neenah's Board.

Age
62

Race/Ethnicity
White/Non-Hispanic

Director Since
2015

Committees
Nominating and Corporate Governance Committee
Compensation Committee

Public Directorship Experience
Superior Industries International, Inc.
Douglas Dynamics, Inc.

Independent
Yes

Donna M. Costello

Donna M. Costello was the Chief Financial Officer of C&D Technologies from 2016 until early 2020. Previously, Ms. Costello served as Chief Financial Officer of Sequa Corporation, a $1.5 billion global manufacturer and service provider in the Industrial and Aerospace markets, from 2008 to 2015. Before being promoted to Chief Financial Officer in 2008, Ms. Costello served as Vice President and Controller of Sequa Corporation, which was a publicly traded company until its acquisition by The Carlyle Group in 2007. From 2002 to 2005, Ms. Costello served as Vice President and Controller of Chromalloy Gas Turbine, Sequa's largest subsidiary. Ms. Costello began her career in 1995 as an auditor for Arthur Andersen and advanced through a series of assignments to become a senior audit manager in 1999. Ms. Costello currently serves as a director of CTS Corporation, a manufacturer of sensors, actuators, and electronic components for the aerospace/defense, industrial, medical, telecommunications/IT, and transportation markets, a position she has held since 2021, where she serves on both the Compensation and Audit Committees. Ms. Costello serves as a director of Horizon Global, a designer, manufacturer, and distributor of custom-engineered towing, trailering, cargo management, and other related accessory products in North America and Europe. She has held this position since 2021, where she serves on the Audit Committee. Ms. Costello received her BBA and MBA from Iona College. Ms. Costello is a certified public accountant and a member of the American Institute of Certified Public Accountants and the New York State Society of Certified Public Accountants. Ms. Costello is also a member of the Henry Crown Fellowship Program of the Aspen Institute. Ms. Costello has served as a director of Neenah since 2019. Ms. Costello's financial expertise and public board experience and leadership with manufacturing companies make her an effective member of Neenah's Board.

Age
49

Race/Ethnicity
White/Non-Hispanic

Director Since
2019

Committees
Audit Committee
Compensation Committee

Public Directorship Experience
CTS Corporation
Horizon Global Corporation

Independent
Yes

DIRECTORS RETIRING EFFECTIVE AS OF THE 2022 ANNUAL MEETING:

Timothy S. Lucas

Timothy S. Lucas was an independent financial reporting consultant with Lucas Financial Reporting from 2002 until retiring in December 2017. From 1988 to 2002, Mr. Lucas worked at the Financial Accounting Standards Board ("FASB"), where he was the Director of Research and Technical Activities and Chair of the FASB's Emerging Issues Task Force. Mr. Lucas has served as a director of Neenah since 2004. Mr. Lucas received his BA in Economics and BS in Accounting from Rice University and his Master of Accounting from the Jesse H. Jones Graduate School, Rice University.

Age
75

Race/Ethnicity
White/Non-Hispanic

Director Since
2004

Committees
Audit Committee
Compensation Committee

Public Directorship Experience
N/A

Independent
Yes

DIRECTOR SKILLS SUMMARY

Our Board of Directors possesses diverse experience and perspectives in various areas critical to our business. The Board's collective knowledge ensures appropriate management and risk oversight and supports our goal of creating long-term sustainable stockholder value.

	William M. Cook	Donna M. Costello	Margaret S. Dano	Shruti Singhal	Philip C. Moore	Julie A. Schertell	Tony R. Thene
Senior Executive/Strategic Leadership: Experience in overseeing, developing, and/or implementing business strategy for a publicly listed company or complex organization.	●	●	●	●	●	●	●
Manufacturing/Supply Chain: Experience in manufacturing and/or supply chain management.	●		●	●		●	●
International: Experience in international business management or transactions.	●	●	●	●	●	●	●
Capital/Asset Allocation: Experience in assessing and/or implementing capital and/or asset allocation decisions.	●	●	●	●	●	●	●
Talent Management & Executive Compensation: Experience in human resources, leadership development, talent management, and/or executive compensation issues.	●		●	●	●	●	●
Audit/Accounting/Financial Statements: Experience preparing, auditing, analyzing, or evaluating financial statements for a complex business.	●	●	●	●	●	●	●
Capital Markets/Investor Relations: Capital markets experience; experience relevant to institutional investor expectations.	●	●	●	●	●	●	●
Legal/Regulatory/Risk Management: Experience in the management or oversight of legal, compliance and regulatory affairs, and risk management.	●	●		●	●		●
Other Board Experience: Experience as a director of a publicly listed company or other complex organization.	●	●	●		●		●

MEETINGS / COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors conducts its business through meetings of the full Board and through committees of the Board, consisting of an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee, which we refer to as the Corporate Governance Committee. The Board of Directors held four regularly scheduled meetings and two specially-called meetings in 2021. The directors also participated in additional ad hoc discussions on a variety of matters throughout the year. The Company's Corporate Governance Policies provide that all directors are expected to regularly attend and participate in Board and Committee meetings and encourage the directors to attend the Company's Annual Meeting. In 2021, our directors attended 100% of the regularly scheduled and specially scheduled meetings of the Board and of the committees of which he or she is a member. All of the Company's directors were in attendance at the 2021 Annual Meeting.

Neenah holds regularly scheduled executive sessions of the independent directors at each Board meeting. As Chair of the Board, Mr. Cook presides at all of the executive sessions.

AUDIT COMMITTEE

The Audit Committee is comprised solely of directors who meet the independence requirements of the New York Stock Exchange ("NYSE") and the Securities Exchange Act of 1934, as amended ("Exchange Act"), and are financially literate, as required by NYSE rules. At least one member of the Audit Committee is an audit committee financial expert, as defined by the rules and regulations of the Securities and Exchange Commission ("SEC"). The Audit Committee has been established in accordance with applicable rules promulgated by the NYSE and the SEC. The Audit Committee assists the Board in monitoring:

- the quality and integrity of our financial statements;
- our compliance with ethical policies contained in our Code of Business Conduct and Ethics, and legal and regulatory requirements;
- the independence, qualification and performance of our registered public accounting firm;
- the performance of our internal auditors; and related party transactions; and
- policies concerning risk assessment and risk management, including, cybersecurity, data privacy, and data security risks.

The Audit Committee is governed by the Audit Committee Charter approved by the Board. The charter is available on our website at www.neenah.com.

COMMITTEE MEMBERS

Donna M. Costello, Chair
William M. Cook
Philip C. Moore
Shruti Singhal
Timothy S. Lucas

Number of Meetings
9

> All members are independent
> All members are financially literate under NYSE standards
> The Board has determined that Ms. Costello and Messrs. Lucas and Cook are audit committee financial experts within the meaning of the SEC's rules.

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee is comprised solely of directors who meet the NYSE independence requirements. The Corporate Governance Committee:

- oversees the process by which individuals are nominated to our Board;
- reviews the qualifications, performance, and independence of members of our Board;
- reviews and recommends policies with respect to composition, organization, processes and, practices of our Board, including diversity;
- provides general oversight of environmental and sustainability risk, including, but not limited to, environmental, social, and governance (ESG) matters; and
- identifies and investigates emerging corporate governance issues and advises the Board on oversight responsibilities relating to the Company's ethical conduct, corporate culture, and employee health and safety.

The Corporate Governance Committee is governed by the Nominating and Corporate Governance Committee Charter approved by the Board. The charter is available on our website at www.neenah.com.

COMMITTEE MEMBERS

Margaret S. Dano, Chair
Philip C. Moore
Tony R. Thene

Number of Meetings
4

> All members are independent

COMPENSATION COMMITTEE

The Compensation Committee is comprised solely of directors who meet NYSE independence requirements, meet the requirements for a "non-employee director" under the Exchange Act, meet the requirements of Rule 10C-1 under the Exchange Act, and meet the requirements for an "outside director" under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"). The Compensation Committee:

- reviews and approves corporate goals and objectives relevant to the compensation of our Chief Executive Officer and sets such compensation;
- approves, in consultation with our Chief Executive Officer, the compensation of our officers who are elected by our Board and other direct reports of the Chief Executive Officer;
- makes recommendations to our Board concerning our equity-based plans and executive incentive compensation plans;
- reviews the Company's human capital management, including diversity, equity and inclusion, talent management, and retention; and
- reviews with management and approves awards under our short-term and equity-based long-term incentive compensation plans.

The Compensation Committee is governed by the Compensation Committee Charter approved by the Board. The charter is available on our website at www.neenah.com.

Additional information regarding the Compensation Committee's processes and procedures for consideration of executive compensation is provided in the "Compensation Discussion and Analysis" below.

COMMITTEE MEMBERS

Tony R. Thene, Chair
Timothy S. Lucas
Margaret S. Dano
Donna M. Costello

Number of Meetings
5

> All members are independent

CORPORATE GOVERNANCE

BOARD LEADERSHIP

The Board selects from among its members the Chair of the Board. The Board also elects the Chief Executive Officer of the Company. The current Board Leadership is as follows:

William M. Cook
Chair of the Board

Julie A. Schertell
President and Chief Executive Officer

On January 27, 2022, Mr. Lucas delivered notice to the Board of his intent not to stand for re-election as a member of the Board at the Company's 2022 Annual Meeting. The Board has not made any nominations and does not intend to fill this vacancy at this time. Accordingly, immediately following the 2022 Annual Meeting, the Board will consist of seven members divided into two classes of two directors (Classes II and III) and one class of three directors (Class I).

The Board believes at this time that it is appropriate for Ms. Schertell to continue serving as Chief Executive Officer and a member of the Board. Ms. Schertell's position as both Chief Executive Officer and director provides continuity of leadership between the senior executive team and the Board and enhances the corporate governance environment of the Board.

Independent Directors

Our Amended and Restated Bylaws provide that a majority of the directors on our Board shall be independent and currently seven out of the eight directors are independent. Immediately following the 2022 Annual Meeting, six out of the seven directors will be independent. In addition, the Corporate Governance Policies adopted by the Board, described further below, provide for independence standards consistent with NYSE listing standards. Generally, a director does not qualify as an independent director if the director (or in some cases, members of the director's immediate family) has, or in the past three years has had, certain material relationships or affiliations with the Company, its external or internal auditors, or other companies that do business with the Company. Having six out of seven independent directors provides Neenah with a sufficient level of oversight, governance and independence without unduly limiting the senior executives from acting in the best interest of the Company and its stockholders.

In evaluating the independence of our independent directors, the Board also considered whether any of the independent directors had any material relationships with Neenah and concluded that no such material relationship existed that would impair their independence (see "Approval of Related Party Transactions" below). In making this determination, the Board relied both on information provided by our directors as well as information developed internally by Neenah. As is currently the case, immediately after the election of the nominees to the Board of Directors, a majority of all directors holding office will be independent directors. The Corporate Governance Committee and the Board have affirmatively determined that six of the Company's seven directors do not have any relationship that would interfere with the exercise of independent judgment in carrying out their responsibilities as directors and are independent in accordance with NYSE listing standards, rules and regulations and our Corporate Governance Policies. Immediately following the 2022 Annual Meeting, Neenah's independent directors will be Margaret S. Dano, Philip C. Moore, Tony R. Thene, William M. Cook, Donna M. Costello and Shruti Singhal.

Nomination of Directors

The Board of Directors is responsible for approving candidates for Board membership. The Board has delegated the screening and recruitment process to the Corporate Governance Committee, in consultation with the Chairman of the Board and Chief Executive Officer. More specifically, our Corporate Governance Committee has adopted, and the Board has ratified, the "Neenah, Inc. Policy Regarding Qualification and Nomination of Director Candidates."

The Corporate Governance Committee seeks to create a Board that is strong in its collective knowledge and diversity of skills and experience with respect to accounting and finance, management and leadership, vision and strategy, business operations, business judgment, crisis management, risk assessment, industry knowledge, corporate governance, education, background and global markets.

Qualified candidates for director are those who, in the judgment of the Corporate Governance Committee, possess all of the following personal attributes and a sufficient mix of the following experience attributes to assure effective service on the Board. Personal attributes of a Board candidate considered by the Corporate Governance Committee include: leadership, ethical nature, contributing nature, independence, interpersonal skills, effectiveness, currency of work history, and diversity. Experience attributes of a Board candidate considered by the Corporate Governance Committee include: financial acumen, general business experience, industry knowledge, diversity of view-points, special business experience, and expertise. When the Corporate Governance Committee reviews a potential new candidate, the Corporate Governance Committee looks specifically at the candidate's qualifications in light of the needs of the Board and our company at that time, given the then-current mix of director attributes.

The Corporate Governance Committee utilizes various methods for identifying and evaluating nominees for director.

The Corporate Governance Committee periodically assesses the appropriate size of the Board and whether any vacancies on the Board are expected. In the event that vacancies are anticipated or otherwise arise, the Corporate Governance Committee will seek to identify director candidates based on input provided by a number of sources, including: (i) Corporate Governance Committee members; (ii) other directors of Neenah; (iii) management of Neenah; and (iv) stockholders of Neenah. The Corporate Governance Committee also has the authority to consult with or retain advisors or search firms to identify qualified director candidates.

The Corporate Governance Committee will consider nominees recommended by stockholders as candidates for election to the Board. A stockholder wishing to nominate a candidate for election to the Board at the Annual Meeting is required to give written notice to the Secretary of Neenah of his or her intention to make a nomination. Pursuant to our Amended and Restated Bylaws, the notice of nomination must be received by Neenah not less than 50 calendar days nor more than 75 calendar days prior to the Annual Meeting, or if Neenah gives less than 60 calendar days' notice of the meeting date, the notice of nomination must be received no later than the close of business on the 10th calendar day following the day on which the Annual Meeting date is announced.

To recommend a nominee, a stockholder should write to Noah S. Benz, Executive Vice President, General Counsel and Secretary of Neenah, at 3460 Preston Ridge Road, Preston Ridge III, Suite 600, Alpharetta, Georgia 30005.

Any such recommendation must include:

- the name and address of the stockholder and a representation that the stockholder is a holder of record of shares of our common stock;
- a brief biographical description for the nominee, including his or her name, age, business and residence addresses, occupation for at least the last five years, and a statement of the qualifications of the candidate, taking into account the requirements set forth above;
- a description of all arrangements or understandings between the stockholder and each nominee;
- such other information regarding the nominee as would be required to be included in a proxy statement filed according to the proxy rules of the SEC; and
- the nominee's consent to serve as a director, if elected.

Once director candidates have been identified, the Corporate Governance Committee will then evaluate each candidate in light of his or her qualifications and credentials and any additional factors that the Corporate Governance Committee deems necessary or appropriate, including those set forth above. Qualified prospective candidates will be interviewed by the Chair of the Board, the Chief Executive Officer and at least one member of the Corporate Governance Committee. The full Board will be kept informed of the candidate's progress. Using input from such interviews and other information obtained by the Corporate Governance Committee, the Corporate Governance Committee will evaluate whether a prospective candidate is qualified to serve as a director and, if so qualified, will seek full Board approval of the nomination of the candidate or the election of such candidate to fill a vacancy on the Board.

The Corporate Governance Committee will re-evaluate existing directors who are being considered for re-nomination based on each director's satisfaction of the qualifications described above and his or her performance as a director during the preceding year. All candidates submitted by stockholders will be evaluated in the same manner as candidates recommended from other sources, provided that the procedures set forth above have been followed. All of the current nominees for director are current members of the Board. Based on the Corporate Governance Committee's evaluation of each nominee's satisfaction of the qualifications described above, the Corporate Governance Committee determined to recommend the two directors for re-election. The Corporate Governance Committee has not received any nominations from stockholders for the Annual Meeting.

Corporate Governance Policies

We have adopted the Neenah, Inc. Corporate Governance Policies that guide the Company and the Board on matters of corporate governance, including director responsibilities, Board committees and their charters, director independence, director qualifications, director evaluations, director orientation and education, director access to management, Board access to independent advisors, and management development and succession planning. Copies of the Corporate Governance Policies are available on our website at www.neenah.com on the "Investor Relations" page under the tab "Corporate Governance—Governance Policies and Documents." Code of Business Conduct and Ethics.

Code of Business Conduct and Ethics

We have adopted and conduct periodic training regarding the Neenah, Inc. Code of Business Conduct and Ethics, which applies to all of our directors, officers and employees. The Code of Business Conduct and Ethics meets the requirements of a "code of ethics" as defined by SEC rules and regulations, and NYSE listing standards. The Code of Business Conduct and Ethics is available on our website at www.neenah.com on the "Investor Relations" page under the tab "Corporate Governance—Governance Policies and Documents".

Human Rights Policy

We have adopted the Neenah, Inc. Human Rights Policy applicable to all stakeholders. The Human Rights Policy sets forth Neenah's commitment to promoting human rights in accordance with the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights to ensure that all people are treated with dignity and respect. The Human Rights Policy is available on our website at www.neenah.com on the "Investor Relations" page under the tab "Corporate Governance—Governance Policies and Documents."

Environmental Policy

We have adopted the Neenah, Inc. Environmental Policy applicable to all stakeholders. The Environmental Policy sets forth Neenah's commitment to stewardship and sustainability of our natural resources. The Environmental Policy is available on our website at www.neenah.com on the "Investor Relations" page under the tab "Corporate Governance—Governance Policies and Documents."

ESG Oversight

To ensure that sustainability is prioritized throughout our company, the Company has established a cross-functional ESG Committee. Chaired by our General Counsel, the committee reports to the Board of Directors and is charged with assisting executive leadership in setting ESG strategy, developing and implementing policies and initiatives, overseeing stakeholder communications, and completing periodic reporting and disclosures on ESG matters in compliance with applicable securities laws. We have published an ESG Report describing how environmental and social considerations, and their related financial impacts, are integrated into Neenah's long term strategy. The ESG Report is available on our website at www.neenah.com on the "Investors Relations" page under the tab "Corporate Governance—Governance Policies and Documents."

Risk Oversight

The Board participates in risk oversight through the Company's Enterprise Risk Evaluation conducted by our Chief Financial Officer and General Counsel, in conjunction with the Company's internal audit and senior management team, and holds management accountable for the maintenance of high ethical standards and effective policies and practices to protect the Company's assets and enhance the Company's culture. Annual findings are reported to the Audit Committee pursuant to the requirements of its charter and the full Board reviews an annual report of the findings as required by our Corporate Governance Policies. In addition, the Board has the opportunity to address developing risks at each Board meeting in connection with its regular review of significant safety, business and financial developments. The Company's senior management team assists the Board in identifying and analyzing significant emerging issues that may impact the company's overall strategy, global business continuity, and financial results.

The Board believes the processes described above provide for question or complaint regarding any accounting, auditing or internal controls matter, or any issue with regard to our Code of Business Conduct and Ethics or other matters that you wish to communicate to our Board or non management directors, send these matters in writing to c/o General Counsel, Neenah, Inc., Preston Ridge III, 3460 Preston Ridge Road, Suite 600, Alpharetta, Georgia 30005. Information about our Board communications policy and procedures for processing Board communications for all interested parties can be found on our website at www.neenah.com on the "Investor Relations" page under the tab "Corporate Governance—Governance Policies and Documents."

Approval of Related Party Transactions

The charter of the Audit Committee requires that the Audit Committee review and approve any transactions that would require disclosure under SEC rules and regulations.

To help identify related party transactions and relationships, each director and NEO, as such term is defined in the "Compensation Discussion and Analysis" section of this Proxy Statement, completes a questionnaire on an annual basis that requires the disclosure of any transaction or relationship that the person, or any member of his or her immediate family, has or will have with the Company or its subsidiaries. Additionally, the Company's Code of Business Conduct and Ethics prohibits related party transactions and requires that any employee with knowledge of such a transaction provide written notice of the relationship or transaction to the Company's General Counsel. Neither Neenah nor the Board is aware of any matter in 2021 that required the review and approval of the Audit Committee in accordance with the terms of the charter.

Stockholder Rights Plan

The Company's Stockholder Rights Agreement expired on November 30, 2014. The Company subsequently decided not to put a new plan in place. We will continue to evaluate the need for such a plan in the future as such need may arise.

Diversity

The Corporate Governance Committee seeks to develop a diverse Board that is representative of our customer, employee and investor base. Our Board currently includes individuals of varying ages, backgrounds, races, ethnicities, and genders, with female members currently serving as Chief Executive Officer, Chairs of the Corporate Governance Committee and Audit Committee.

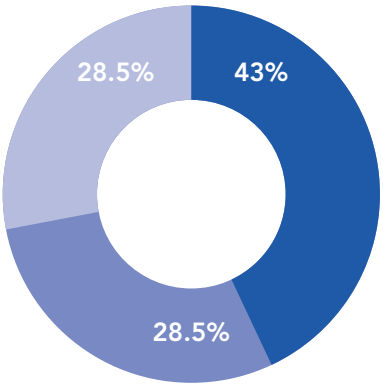
The Board believes that having directors of diverse gender, ages,

race, and ethnicity, along with varied skills and experiences, contributes to a balanced and effective Board. The Board is committed to inclusiveness and ensuring that the Corporate Governance Committee, in performing its director candidates and recommend candidates to the Board for election, includes candidates with a diversity of ethnicity, race and gender in each pool of candidates from which Board nominees are chosen. The Corporate Governance Committee actively considers for selection as directors those persons who possess a diversity of experience, gender, race, and ethnicity. While the Corporate Governance Committee carefully considers diversity when identifying potential director candidates, the Committee has not established a formal policy regarding diversity.

Director Tenure

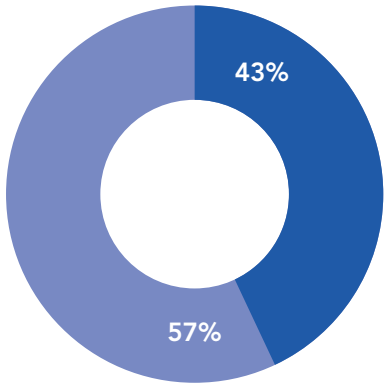
Directors with varied tenure contribute to a range of perspectives and ensure we transition knowledge and experience from longer-serving members to those newer to our Board. We have a good mix of new and long-standing directors, with our current directors averaging approximately six years of service as of the 2022 Annual Meeting.

Individuals elected as directors by our shareholders are expected to serve as directors for a minimum of three consecutive three-year terms. Directors may be nominated for election for an additional two terms but will not be nominated for subsequent terms unless the Board determines that circumstances warrant nominating a particular director for one or more additional terms. In the event the Board recommends an individual for nomination for one or more additional terms beyond the stated term limit, the rationale for such nomination will be disclosed in the Company's Proxy Statement.



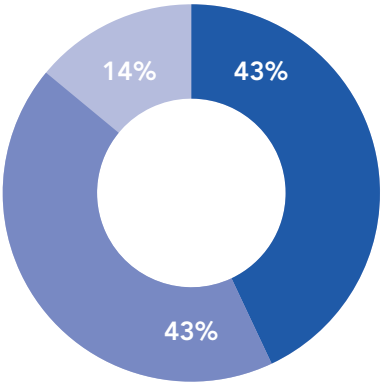
Age Diversity

- < 55 = 3 members
- 55-65 = 2 members
- > 65 = 2 members



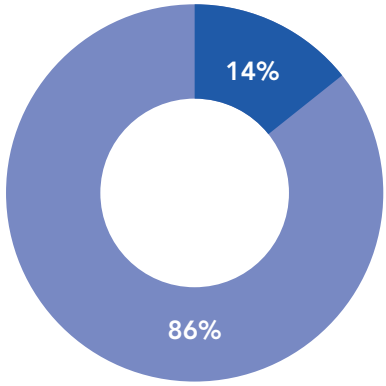
Gender Diversity

- Female = 3 members
- Male = 4 members



Tenure

- < 3 years = 3 members
- 3-10 years = 3 members
- 10+ years = 1 member



Racial Diversity

- Asian = 1 member
- White = 6 members

**Reflects board membership statistics immediately following the 2022 Annual Meeting.*

2021 DIRECTOR COMPENSATION

The Compensation Committee has responsibility for evaluating and making recommendations to the Board of Directors regarding compensation for our non-employee directors.

Each of our directors (who are not employees) receives the following compensation:

Item	Amount
Annual cash retainer	$72,000
Additional cash retainers for Committee and Board Chairs:	
• Board Chair	$80,000
• Audit Committee Chair	$30,000
• Compensation Committee Chair	$30,000
• Corporate Governance Committee Chair	$17,500
Additional cash retainers for Committee Members:	
• Audit Committee Members and Chair	$9,000
• Compensation Committee Members and Chair	$7,000
• Corporate Governance Committee Members and Chair	$5,000
Annual value of equity grant	**$100,000***

**Annual equity grant paid in restricted stock units ("RSUs") subject to a one-year vesting period.*

Neenah's director compensation program is intended to align with market-level compensation to attract, motivate, and retain high-performing and diverse quality director talent. Neenah conducts a biennial director pay study to ensure alignment with market-level compensation, the latest of which was undertaken in 2021 and resulted in an adjustment to better align with the market and evolving director workload as shown in the table above.

For the service year beginning on May 20, 2021 and ending on the day before the 2022 Annual Meeting, and in order to more closely align our non-employee directors' interests with the interests of the Company's stockholders, each director received a total of 1,850 RSUs. The number of RSUs granted to non-employee directors is calculated annually by dividing the total value of the equity grant by the grant date fair value of the Company's stock on the day of the grant in the same manner as used to calculate grants for Company employees under the Long-Term Incentive Plan ("LTIP"). The RSUs become fully vested and convert to shares of our common stock on the first anniversary of the date of grant. Employee directors receive no additional compensation and no perquisites for serving on our Board.

Neenah also established the Neenah Directors' Deferred Compensation Plan (the "Directors' Deferred Compensation Plan"), which enables each of our non-employee U.S. directors to defer a portion of their cash compensation and RSU awards. In 2021, none of our directors participated in the Directors' Deferred Compensation Plan.

Each of our non-employee directors is required to own Company stock equal to five times their annual cash retainer. The valuation of restricted stock and options owned by our directors is calculated pursuant to the same guidelines detailed in this Proxy Statement for our named executive officers. All of our non-employee directors met or exceeded the guidelines as of December 31, 2021. Each director has five years in order to meet the stock ownership requirements.

The following table shows the total compensation paid to each of our non-employee directors in 2021.

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)	Total ($)
William M. Cook	135,000	100,000	235,000
Donna M. Costello	75,000	100,000	175,000
Margaret S. Dano	95,500	100,000	195,500
Timothy S. Lucas	112,000	100,000	212,000
Philip C. Moore	80,000	100,000	180,000
Shruti Singhal(3)	40,500	—	40,500
Tony R. Thene	95,500	100,000	195,500

(1) Amounts reflect mid-year adjustments to annual cash retainer amounts.

(2) Amounts reported in this column represent the grant date fair value of the 2021 RSU award granted to each director, calculated in accordance with Financial Accounting Standards Board Statement ASC Topic 718 ("ASC 718"). Due to restrictions imposed by Canadian law, Mr. Moore is not able to receive a quarterly cash dividend on his RSUs. In lieu of receiving such dividends, Mr. Moore is granted additional RSUs on the date of each dividend payment equal in value to the cash dividend that he would have received. Mr. Moore received 74 of these RSUs in 2021.

(3) Mr. Singhal was appointed to the Board of Directors on July 21, 2021.

COMPENSATION DISCUSSION AND ANALYSIS

The following section presents an analysis, summary, and overview of our compensation policies and programs, including material decisions made under those policies and programs in setting the compensation levels for 2021 for our named executive officers (each an "NEO"). Decisions made concerning the total compensation package for our NEOs take into consideration the individual executive's level of responsibility within Neenah, the performance of Neenah relative to internal targets and peer companies, and the creation of long-term stockholder value. We strive to achieve a balanced and competitive compensation package through a mix of base salary, performance-based cash bonuses, long-term performance-based incentives and awards, deferred compensation plans, and welfare benefits.

Compensation Objectives and Philosophy

Neenah's compensation policies are designed to incorporate the following attributes:

✓ INCLUDED	✕ EXCLUDED
• Significant component of pay based on performance achievement; more senior positions have a higher percentage of performance-based pay; maximum payment limit on incentive plans • Measures are based on achievement of financial targets and enhancement of stockholder value, including the introduction of ESG-related performance metrics in 2022 • Broad clawback policy • Policies validated through an independent consultant reporting to the Compensation Committee, comparison to independent peer companies and stockholder "say-on-pay" votes • Strict insider trading policy for equity awards • Double trigger change in control arrangements • Equity ownership guidelines • Annual independent risk assessment to confirm that metrics and goals are appropriate to drive high performance without encouraging unreasonable risk-taking	• Guaranteed variable compensation and/or open-ended payments • Excise tax gross-ups • Re-pricing or cash buyout of underwater stock appreciation rights without stockholder approval • Market timing of equity awards • Excessive perquisites • Executive employment contracts

2021 Key Strategic and Financial Achievements

We delivered robust top and bottom line growth.

Consolidated net sales of:	Adjusted consolidated operating income of:	Adjusted EBITDA of:	Adjusted earnings of:	Year-end available liquidity of:
$1.0 billion	**$72.0 million**	**$116.8 million**	**$2.53 per share**	**$170 million**

We continued to make important progress on strategic initiatives to drive long-term value creation

- Achieved 30% improvement in our safety recordable incident rate.
- Grew revenue by 30% to over $1 billion, led by organic volume growth, pricing actions, and a strategic acquisition.
- Clearly articulated long-range growth goals of 5% topline and 10% bottom-line, with EBITDA margins of 15% or greater. These goals, combined with our four growth platforms of Filtration, Specialty Coatings, Engineered Materials, and Imaging & Packaging, provide a clear strategic framework for direction and focus.
- Completed the strategic acquisition of ITASA, a leading specialty coating company with a global presence in the release liner market. With revenues of approximately $140 million, ITASA has a historical track record of 8% growth and attractive, mid-teen EBITDA margins.
- Began execution on two strategic capacity expansion investments supporting some of our highest growth and highest margin products within Filtration and Specialty Coatings platforms. These expansions will start up in 2023 and 2024, supporting our long-term growth goals.
- Executed several key operational initiatives, including the closure of our Appleton, Wisconsin facility to save $7-8 million annually and the restart of an idled asset to support growth in premium packaging.
- Rolled out the Neenah Operating System, or NOS, at our two largest facilities. With a long-range goal of $20 million, NOS leverages LEAN-based principles to improve safety, quality, service, and cost, while also driving value through improved productivity and capacity.
- Refinanced our debt, providing us with a more flexible capital structure and with lower interest expense.
- Continued to drive innovation and launched a number of new products that will generate incremental revenue and margin.
- Progressed on key ESG initiatives, including actions designed to reduce energy usage, water consumption, and greenhouse gases, advancements in the diversity of our Board of Directors (with half identifying as female or underrepresented minorities), and receiving recognition from leading sustainability rating agencies (including the EcoVadis Gold Medal in Spain and Silver Medal in all other locations).
- Increased our dividend for the 11th consecutive year.

Following this section under the heading "Additional Executive Compensation Information" we have included certain tables where you will find detailed compensation information for each of our NEOs. This section is intended to provide additional details regarding Neenah's compensation practices, as well as the information and process used to create and implement our compensation program for our NEOs and other executive officers.

Named Executive Officers

Julie A. Schertell
President and Chief Executive Officer

Paul F. DeSantis
Executive Vice President, Chief Financial Officer and Treasurer

Kingsley E. Shannon
Executive Vice President, Segment President, Fine Paper & Packaging

Michael W. Rickheim
Executive Vice President, Chief Human Resources Officer and Chief Administrative Officer

Noah S. Benz
Executive Vice President, General Counsel and Secretary

Byron J. Racki
Former Executive Vice President, Segment President, Technical Products

Our Compensation-Setting Process:

Role of Compensation Committee

The Compensation Committee is responsible for carrying out the Board's responsibilities for determining the compensation for our NEOs. In that capacity, the Compensation Committee (1) annually reviews and approves the corporate goals and objectives relating to our executive compensation programs, (2) evaluates performance against those goals and objectives, and (3) approves the compensation payable to our NEOs.

The Role of Stockholder Say-on-Pay Votes

The Company provides its stockholders with the opportunity to cast an annual advisory vote on executive compensation. At the Company's annual meeting of stockholders held on May 20, 2021, greater than 99% of the votes cast on the say-on-pay proposal were voted in favor of the proposal. The Compensation Committee considered these results and believes the voting results reflect strong stockholder support for the Company's approach to executive compensation. The Compensation Committee will continue to consider the outcome of the Company's say-on-pay proposal votes in order to help understand the environment for future executive compensation practices.

Use of Compensation Consultants

The Compensation Committee charter grants the Committee authority to independently retain compensation consultants, and in 2021 the Committee again engaged Hugessen Consulting, Inc. ("Hugessen") to provide the Committee with independent advice and assistance in its deliberations regarding compensation matters. At the Committee's request, Hugessen originated certain analyses, reviewed the information provided by management, and assisted the Committee in assessing 2021 compensation for Neenah's NEOs. In addition, Hugessen provided input to assist the Committee in establishing the 2021 targeted compensation levels and performance criteria under the Company's incentive plans.

The Compensation Committee must pre-approve any additional work of a material nature assigned to its consultant and will not approve any such work that, in its view, could compromise Hugessen's independence as advisor to the Committee. Hugessen does not provide any other services to Neenah. Decisions made by the Committee are the responsibility of the Committee and reflect factors and considerations in addition to the information and recommendations provided by Hugessen. In 2021, the Compensation Committee, in accordance with SEC rules, considered the independence factors having to do with consultant conflicts of interest and determined that the work of Hugessen did not raise any conflicts of interest.

In addition, in 2021 the Company retained Aon Hewitt, Inc. ("Aon") to advise management on developments relating to executive compensation in general and provide support to management and the Compensation Committee in their ongoing analysis and assessment of the effectiveness of Neenah's compensation policies and programs. Aon also assisted in the preparation and review of materials prepared by management related to benchmarking and plan designs.

Role of Executive Officers

At the request of the Compensation Committee, our President and Chief Executive Officer, along with our Executive Vice President, Chief Human Resources Officer and Chief Administrative Officer and after extensive market research, make recommendations to our Compensation Committee regarding base salary and target levels for our annual performance bonuses and long-term equity compensation for our executive officers. These recommendations are based on the philosophy and analysis described in this "Compensation Discussion and Analysis" section of this Proxy Statement. Ms. Schertell is not involved in setting or approving her own compensation levels.

Peer Comparison

To assist in evaluating and determining levels of compensation in 2021 for each element of pay, the Compensation Committee reviewed various sources of data prepared by management including:

Proxy data was collected and analyzed from a peer group of companies in the specialty paper and forest products, industrial machinery, and specialty chemical industries and similar in size to Neenah (the "Peer Group"). For 2021, the Compensation Committee conducted a thorough review of the companies in the Peer Group. The Committee reviewed and discussed the companies presented for consideration, including (i) industry, (ii) revenue size, (iii) market cap, and (iv) total enterprise value, and unanimously selected the following companies:

- Compass Minerals International, Inc.
- Ferro Corporation
- H.B. Fuller Company
- GCP Applied Technologies, Inc.
- P.H. Glatfelter Company
- Ingevity Corporation
- Innospec, Inc.
- Kraton Corporation
- Lydall, Inc.
- Minerals Technologies, Inc.
- Myers Industries, Inc.
- Quaker Houghton
- Rayonier Advanced Materials, Inc.
- Rogers Corporation
- Schweitzer-Mauduit International, Inc.
- Tredegar Corporation

Data was collected from Aon's database using a broad industry cut of manufacturing companies with approximate revenues between $500 million and $2.5 billion.

To develop market figures, compensation opportunities for the NEOs were compared to the compensation opportunities for similarly situated executives in comparable positions.

Hugessen reviewed the results of these analyses and provided feedback to the Compensation Committee in connection with their review of competitive pay practices.

Neenah's management and the Compensation Committee do not believe that it is appropriate to establish compensation levels based solely on peer comparisons or benchmarking; however, marketplace information is one of many factors that we consider in assessing the reasonableness of compensation. Management and the Compensation Committee believe that information regarding pay practices at other companies is useful to confirm that our compensation practices are competitive in the marketplace.

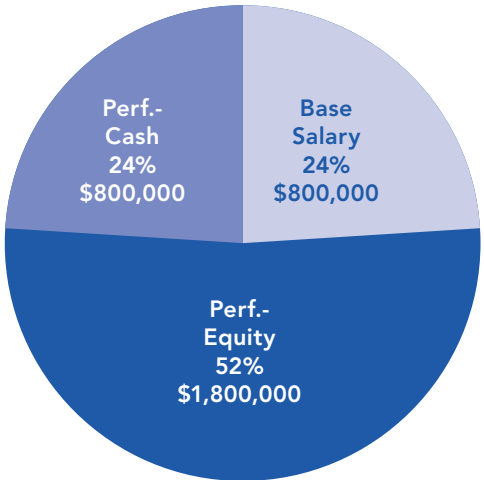
Targeted Compensation Levels

The Compensation Committee establishes targeted total compensation levels based upon performance objectives for our executive officers eligible to receive an annual cash bonus opportunity under the Short-Term Incentive Plan ("STIP") and equity awards under the LTIP as authorized by the Amended and Restated Neenah, Inc. 2018 Omnibus Stock and Incentive Compensation Plan (the "2018 Omnibus Plan"). In making these determinations, the Committee is guided by the compensation philosophy described below. The Committee also considers historical compensation levels and pay practices at companies in the Peer Group, employee retention, industry conditions, corporate performance versus peer companies, and the overall effectiveness of Neenah's compensation program in achieving desired performance levels.

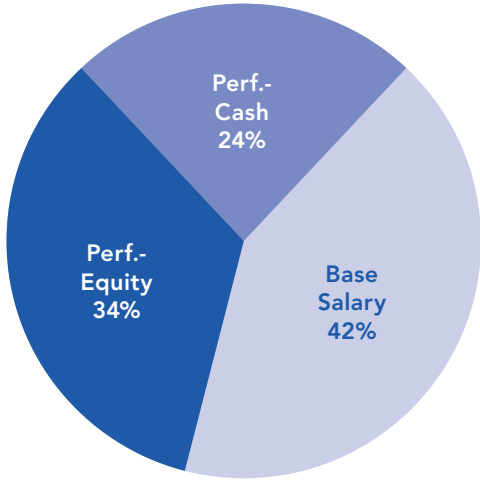
As targeted total compensation levels are determined, the Compensation Committee also determines the portion of total compensation that will be contingent, performance-based pay. Performance-based pay includes cash awards under our STIP program and equity awards under our LTIP, which may be earned based on the Company's achievement of performance goals. The value of the LTIP award largely depends upon achievement of financial targets and long-term appreciation in the Company's stock price.

Neenah's compensation philosophy is intended to provide competitive pay within the relevant market by targeting the total compensation opportunities and to reward executives for short-term and long-term performance through an overall compensation mix that is targeted to include a minimum of 50% performance-based compensation for our NEOs. In 2021, our Chief Executive Officer's compensation was approximately 76% performance-based at target levels and our other NEOs compensation was approximately 58% performance-based at target levels.

CEO @ Target



Other NEOs @ Target



Compensation Components

Our executive compensation includes the base components described below, each of which is designed to accomplish specific goals of our compensation philosophy described above. In connection with our discussion of each of such base components, the following questions will be addressed:

- Why Neenah chooses to pay each of the base components
- How Neenah determines the amount of the various base components
- How each component fits into Neenah's overall compensation plan and supports Neenah's compensation philosophy

Base Salary

Base salary is a critical element of executive compensation because it provides our executives with a defined level of monthly income and also sets the base level for performance compensation. Individual base salaries for our NEOs are generally reviewed by comparing total compensation opportunities within the Peer Group as discussed above. Salary increases, if any, are reviewed and approved by the Compensation Committee on an annual basis.
Factors considered in base salary increases include the Company's performance over the past year, changes in individual executive responsibility, the position of base salary together with all other compensation as indicated by our analysis of the Peer Group, and market data provided by Aon when peer data was not available.

This approach to base salary supports our compensation philosophy. The Compensation Committee has determined that setting NEO base salaries in this manner allows Neenah to be competitive in attracting and retaining talent, while at the same time aligning the executive's and stockholders' interest as a majority of the executive's overall compensation is performance-based.

2021 Base Salary Decisions

In February 2021, after discussing the individual performance, experience, scope of responsibilities, Peer Group market data, and the Chief Executive Officer's recommendations for the other NEOs, the Compensation Committee established the base salaries for each NEO. In general, any increases in base pay are intended to be competitive with the market and take into consideration the individual performance and scope of responsibilities of each NEO. Taking into account all of these factors and comparison relative to the Peer Group, the Committee approved the adjustments shown below to further align NEO base salary with the market.

The following table provides the base salary of each NEO as of December 31 for each year, unless otherwise indicated:

Name	2020 Base Salary	2021 Base Salary	% Increase
Julie A. Schertell	$800,000	$800,000	0%
Paul F. DeSantis	$500,000	$500,000	0%
Michael W. Rickheim	$350,000	$385,000	10%
Kingsley E. Shannon	$300,000	$330,000	10%
Noah S. Benz	$361,000	$361,000	0%
Byron J. Racki(1)	$400,000	$400,000	0%

(1) Mr. Racki served as executive officer of the Company until June 28, 2021.

Annual Performance Bonuses

Annual cash incentive bonus opportunities are awarded under the STIP and are based on our achievement of performance goals established at the beginning of each calendar year. STIP target bonuses are established as a percentage of base salary with a target bonus ranging from 50% to 100% for each NEO. The Compensation Committee annually approves the target bonus range based on: (i) data provided from the market surveys as previously described, (ii) the experience and knowledge of the executive, and (iii) the quality and effectiveness of the executive's leadership within Neenah.

The amount of the actual STIP bonus is adjusted up or down from the target bonus based on Neenah's year-end results, and may be adjusted by the Compensation Committee for non-recurring items (with year-end results measured against the objective and subjective criteria set forth in the STIP for the applicable year, as previously approved by the Compensation Committee). Actual STIP payments can range from 0% to 200% of the target bonus depending on whether the Company's results fall short of, achieve, or exceed the identified performance goals.

Under the STIP, the Compensation Committee generally sets a range of possible payments from zero to a maximum percentage of the target award based on its belief that no bonus should be earned if performance is below established thresholds and its determination that the top end of the range should provide an appropriate incentive for management to achieve exceptional performance. Under the STIP, specific performance measures and thresholds are determined by the Committee in consultation with the Chief Executive Officer, based on key metrics that support the achievement of Neenah's short-term and long-term strategic objectives.

Annual performance bonuses support our compensation philosophy in that they: (i) reward Neenah's executives for meeting and exceeding goals that contribute to Neenah's short-term and long-term strategic plan and growth, (ii) promote a performance-based work environment, and (iii) serve as a material financial incentive to attract and retain executive talent.

2021 Annual Performance Bonus Awards

For 2021, the Compensation Committee approved target bonuses for our NEOs as a percentage of base salary with a target bonus ranging from 50% to 100%. The performance goals for the 2021 STIP program were set based on the following performance criteria and the relative weighting set forth below: (i) "Corporate EBIT", which is calculated as adjusted net income (excluding impacts from the ITASA acquisition), plus interest and income tax expenses, and (ii) "Free Cash Flow Delivery", which is calculated as cash flow from operations, less capital expenditures.

Each goal was set at levels that both the Compensation Committee and management believed to be challenging, but attainable, and achievements would reflect significant performance by the Company.

Name	2021 Target STIP (% of Base Salary)
Julie A. Schertell	100%
Paul F. DeSantis	65%
Noah S. Benz	60%
Michael W. Rickheim	60%
Kingsley E. Shannon	50%
Byron J. Racki	60%

The performance goals for the financial metrics under the 2021 STIP were as follows:

Metric ($MM)	Threshold (25%)	Target (100%)	Outstanding (200%)	Weighting
Corporate EBIT	$64.4	$76.0	$95.0	75%

Metric ($MM)	Threshold (0%)	Target (100%)	Outstanding (200%)	Weighting
Free Cash Flow Delivery	$40	$50	$60	25%

2021 Short-Term Performance Incentive Modification

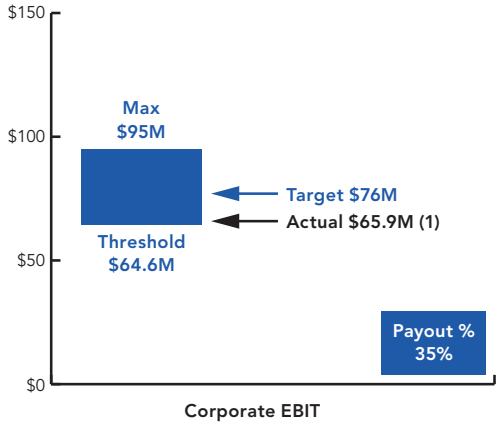
The residual impacts of the COVID-19 pandemic significantly impacted the Company's operations and 2021 financial performance, adversely impacting the global supply chain and constraining labor markets. Based on the Company's financial results for 2021, both Corporate EBIT and Free Cash Flow Delivery performance metrics failed to reach threshold levels established by the Compensation Committee under the 2021 STIP.

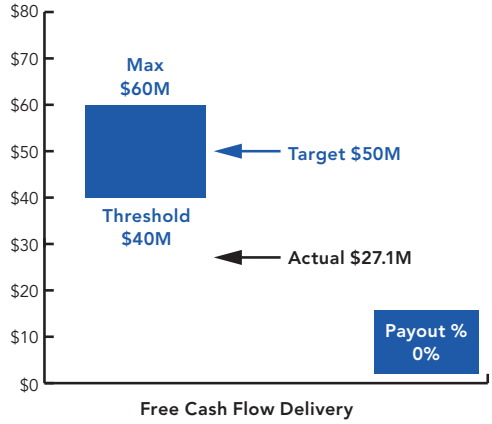
The Compensation Committee had to balance the challenges of these unprecedented impacts on the Company's financial performance against the need to provide reasonable incentives designed to recognize the Company's achievement of stated objectives for 2021 and provide compensation to encourage the retention of high-caliber executive talent necessary to develop and execute the Company's long-term strategy.

In accordance with our compensation philosophy and to better position the Company for long-term growth, the Compensation Committee reviewed several factors which materially impacted the Company's financial results for 2021 and which were beyond the reasonable control of leadership. Upon review, the Compensation Committee determined that modifying Corporate EBIT to exclude a percentage of these special items was appropriate under the circumstances and in the best interests of the Company and its shareholders. As a result, the Compensation Committee exercised its discretion and approved a modification to the Corporate EBIT calculation under the 2021 STIP to exclude $3.1 million of increased labor and other manufacturing-related operating expenses, representing approximately one-half of such COVID-19-related expenses incurred by the Company in 2021.

The performance goals and results relative to the NEOs for each of the financial metrics in 2021 were as follows (in millions):

(1) Reflects the Compensation Committee's $3.1M modification to Corporate EBIT, as described above.





Based on the process described above and the relative weighting for the applicable performance criteria, 2021 STIP payments were awarded as follows:

Name(1)	2021 STIP at Target	2021 STIP at Actual	% of Target Earned
Julie A. Schertell	$800,000	$200,000	25%
Paul F. DeSantis	$325,000	$81,250	25%
Michael W. Rickheim	$231,000	$57,750	25%
Noah S. Benz	$216,600	$54,150	25%
Kingsley E. Shannon	$165,000	$104,775	64%(2)

(1) Mr. Racki did not qualify for payment under the 2021 STIP.

(2) As President of the Company's Fine Paper & Packaging business segment and consistent with other business unit leaders, Ms. Shannon participated in a 2021 STIP designed to closely align pay-for-performance. In lieu of a Free Cash Flow Delivery component, performance criteria under the STIP included a Fine Paper & Packaging EBIT performance metric. Based on the Company's performance in 2021, Ms. Shannon earned 77% of the target award for the Fine Paper & Packaging EBIT component, resulting in a payment equal to 64% of the target 2021 STIP award.

Long-Term Equity Compensation

Long-term equity incentives under the 2021 LTIP consist of performance share units ("PSUs") and RSUs granted on an annual basis, with RSUs representing approximately 30% of the total value of the equity incentive awards and PSUs representing approximately 70% of the total value of the equity award granted to an executive officer for 2021. This reflects the Company's desire to emphasize the performance-based incentives in the LTIP. The total target LTIP grants are set at the beginning of the year for each NEO, with the 2021 LTIP grants ranging from 65% to 225% of the executive's base salary. The Company typically grants 100% of the RSUs in conjunction with the first Board meeting of each year.

Each year the Compensation Committee reviews and approves a target number of PSUs for each of our NEOs and each other participant in the LTIP plan. The number of units actually earned by each participant is determined by the Company's performance during the applicable performance period.

The range of possible awards is set by the Committee based on its: (i) belief that a minimal award should be granted if the performance measures are significantly below target levels; and (ii) determination that the top end of the range provided an appropriate incentive for management to achieve exceptional performance.

The combination of RSUs and PSUs focuses our executives on Neenah's financial performance and increasing stockholder value. It is aligned with and supports our stock ownership policy and helps retain employees for the duration of the performance periods and vesting periods.

The Compensation Committee regularly reviews the Company's LTIP to identify opportunities to further align executive compensation with long-term stockholder value. In 2020, and in consultation with the compensation consultant, the Compensation Committee approved changes to the LTIP to remove the one-year performance period component of the PSU award, with 100% of the PSUs being subject to a three-year performance period.

2021 LTIP Awards

For 2021, the Compensation Committee, consistent with our compensation philosophy, approved equity grants under the LTIP for our NEOs with target values ranging from 65% to 225% of base salary.

The process described above resulted in grants of RSUs and PSUs in 2021 as follows:

Name	2021 LTIP (% of Base Salary)	2021 RSUs	2021 PSUs
Julie A. Schertell	225	10,189	23,774
Paul F. DeSantis	100	2,830	6,604
Michael W. Rickheim	75	1,634	3,814
Noah S. Benz	85	1,737	4,053
Kingsley E. Shannon	65	1,214	2,833
Byron J. Racki(1)	85	1,925	4,491

(1) Mr. Racki forfeited his grant under the 2021 LTIP.

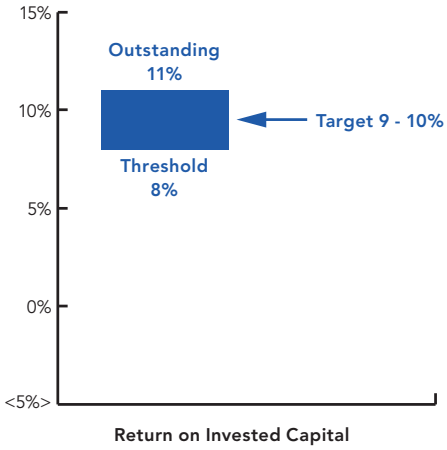
For each of our NEOs, the value was divided into awards of RSUs and a target number of PSUs, with 70% of the value in PSUs and 30% of the value in RSUs. The range of possible awards under the LTIP was selected to tie a substantial percentage of each NEOs compensation to Neenah's performance.

The number of RSUs to be awarded to each NEO in 2021 was determined by dividing the value of the portion of the LTIP award to be awarded as RSUs (determined by the Compensation Committee as described above) by the grant date fair value of the Company's stock on the day of the grant, and then rounded to the nearest share to produce the number of shares subject to the applicable RSU award. Each grant of RSUs made in 2021 vests in increments of 33.34%, 33.33% and 33.33% over a three-year period, with vesting occurring on the first, second and third anniversary of the date of grant.

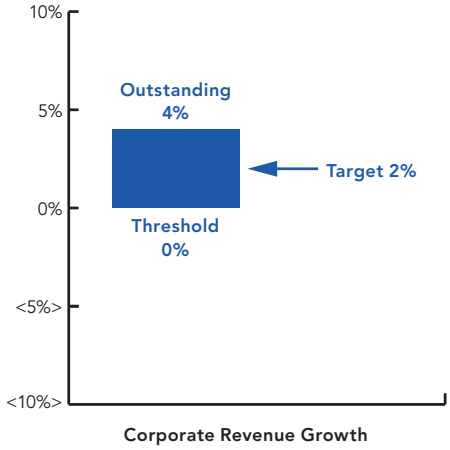
The PSU portion of the LTIP program incorporates a three-year performance and vesting period, further aligning senior management of the Company with long-term stockholder interests. The target number of PSUs to be awarded to each NEO in 2021 was determined by the value of the portion of the LTIP award to be awarded as PSUs (determined by the Compensation Committee as described above) using the fair market value of the stock price as of the date of grant. The target number of PSUs are increased or decreased (to an amount equal to between 0% and 200% of the target) after the performance period for each component.

After the end of the performance period, the adjustment of the target number of PSUs is calculated based on the Company's achievement of performance goals relative to the following equally weighted criteria: year over year growth in net sales ("Corporate Revenue Growth"), return on invested capital ("Return on Capital"), free cash flow reflected as a percentage of net sales ("Free Cash Flow as Percentage of Net Sales"), and relative total shareholder return (compared against the Russell 2000 Value Index) ("Relative TSR"). Each of the metrics may be adjusted for certain items as further described in the PSU award agreements as filed by the Company as Exhibit 10.1 to the Quarterly Report on Form 10-Q filing dated May 11, 2020. The threshold, target, and outstanding levels for Constant Currency Sales growth and Return on Capital were established in 2021 to reflect the Company's continued plans for growth through strategic acquisitions and investments in organic growth.

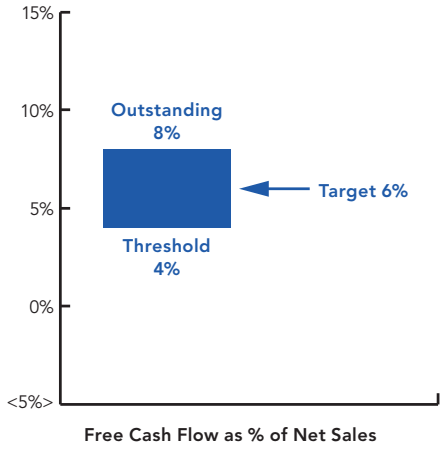
The specific targets for the PSU awards under the 2021 LTIP program were as follows:



Return on Invested Capital



Corporate Revenue Growth



Free Cash Flow as % of Net Sales

Metric	Threshold	Target	Outstanding
Payout (as a % of Target)	0%	100%	200%
Total Stockholder Return	<25% percentile	50th percentile	75% percentile+

The adjustment of the target number of PSUs will be calculated based on the Company's achievement of performance goals during the three-year performance period and will vest on the third anniversary of the date of grant.

Component II Performance 2019 LTIP Awards

Component II of the 2019 LTIP award, representing 25% of the PSU award, was subject to a three-year performance period ending December 31, 2021. The target number of PSUs is calculated based on the Company's achievement of the performance goal of Relative TSR (including dividend yield) and compared against the Russell 2000 Value Index.

The specific targets and results in 2019 for Component II were as follows:

Metric	Threshold	Target	Outstanding	Payout %
Payout (as a % of Target)	**0%**	**100%**	**200%**	**0%**
Total Stockholder Return	3rd Quartile	2nd Quartile	1st Quartile	

Based on the process described above and our performance against the targets noted, PSU grants for Component II of the 2019 LTIP grants were awarded as follows:

Name	Component II at Target	Component II Earned	% of Target Earned
Julie A. Schertell	1,047	0	0%
Noah S. Benz	509	0	0%
Kingsley E. Shannon	150	0	0%
Byron J. Racki	715	0	0%

Retirement Benefits

We maintain the Neenah 401(k) Retirement Plan (the "401(k) Plan"), which is a tax-qualified defined contribution plan for employees. The 401(k) Plan is available to all Neenah's U.S. employees but includes a special profit-sharing contribution feature that is only applicable for certain employees (the "Retirement Contribution Plan"). Further, we maintain a supplemental retirement contribution plan (the "Supplemental RCP") which is a non-qualified defined contribution plan which is intended to provide a tax-deferred retirement savings alternative for amounts exceeding Internal Revenue Code limitations on qualified plans. Additional information regarding the Supplemental RCP can be found in the "2021 Non-qualified Deferred Compensation" table later in this Proxy Statement.

We also maintain the Neenah Deferred Compensation Plan (the "Deferred Compensation Plan"), which is a non-qualified deferred compensation plan for our executive officers. The Deferred Compensation Plan enables our executive officers to defer a portion of annual cash compensation (base salary and non-equity awards under our STIP). The Deferred Compensation Plan is intended to assist our executive officers in maximizing the value of the compensation they receive from the Company and assist in their retention. Additional information regarding the Deferred Compensation Plan can be found in the "2021 Non-qualified Deferred Compensation" table later in this Proxy Statement.

Neenah and the Compensation Committee believe that the Retirement Contribution Plan, Supplemental RCP, Deferred Compensation Plan, and 401(k) Plan are core components of our compensation program. The plans are competitive with plans maintained by our peer companies and are necessary to attract and retain top-level executive talent.

Severance Payments

In March 2017, the Compensation Committee amended and restated its executive severance plan (the "2017 Executive Severance Plan"), effective April 1, 2017, to provide executives certain severance benefits both upon the termination of employment following a change in control of Neenah and outside of a change in control. The 2017 Executive Severance Plan also categorizes the participating executives as either "Tier 1", "Tier 2", or "Tier 3" participants in order to provide varying benefit amounts to the different executives. All NEOs are Tier 1 participants under the 2017 Executive Severance Plan.

Upon termination of a NEO's employment by Neenah without "cause" outside of a change in control, such NEO will be entitled to an amount equal to one and one-half times his or her base salary. Upon termination of the NEO's employment by Neenah without "cause" within the two-year period following a change in control or by the NEO for "good reason" within the two-year period following a change in control the 2017 Executive Severance Plan provides that such terminated NEO will be entitled to the sum of:

(I) Two times the sum of his or her annual base salary;

(II) the amount of bonus under the STIP that he or she has earned through the date of the change in control, plus two times his or her targeted annual bonus;

(III) any profit-sharing contributions or pension plan benefits forfeited as a result of such termination;

(IV) the amount of profit-sharing contributions and pension plan benefits such participant would have received under the qualified and supplemental retirement plans but for his or her termination for the two-year period following his or her termination; and

(V) the cost of medical and dental COBRA premiums for a period of two years.

In addition, such NEO will be fully vested in his or her account under the Deferred Compensation Plan, and any awards granted to him or her under the Amended and Restated Neenah Paper, Inc. 2004 Omnibus Stock and Incentive Compensation Plan (the "2004 Omnibus Plan") or the 2018 Omnibus Plan.

Furthermore, upon the termination of a NEO's employment by Neenah at any time without "cause" or by the officer for "good reason" within the two-year period following a change in control, the NEO will be eligible to receive reimbursement for outplacement service costs for a period of two years in an amount not to exceed $50,000.

Payment of the benefits under the 2017 Executive Severance Plan is subject to the applicable executive executing an agreement that includes restrictive covenants and a general release of claims against Neenah. These benefits are intended to recruit and retain key executives and provide continuity in Neenah's management in the event of a change in control. We believe the 2017 Executive Severance Plan is consistent with similar plans maintained by our peer companies and, therefore, is a core component of our compensation program necessary to attract and retain key executives.

Timing of Compensation

Base salary adjustments, if any, are made by our Compensation Committee at the first meeting of each year (with the adjustments effective as of January 1 of that same year). RSU awards and PSU target levels and awards are made in the manner described above. The number of RSUs awarded is determined by the grant date fair value of the Company's stock

on the day of the grant. We do not coordinate the timing of equity awards with the release of non-public information.

Tax and Accounting Consideration

In general, the tax and accounting treatment of compensation for our NEOs has not been a core component used in setting compensation. In limited circumstances, we do consider such treatment and attempt to balance the cost to Neenah against the overall goals we intend to achieve through our compensation philosophy. In particular, we have historically sought to maximize deductibility of our NEOs' compensation under Internal Revenue Code Section 162(m) while maintaining the flexibility necessary to appropriately compensate our executives based on performance and the existing competitive environment.

The STIP and LTIP programs are performance-based and have historically been intended to be fully deductible under Section 162(m). However, with limited remaining exceptions, compensation paid to our covered executive officers in excess of $1 million will not be deductible unless it qualifies for relief applicable to certain historical arrangements.

Despite our efforts in the past to structure annual cash incentives in a manner intended to be exempt from Section 162(m) and, therefore, not subject to its deduction limits, because of ambiguities and uncertainties as to the application and interpretation of Section 162(m) and the regulations issued thereunder, no assurance can be given that compensation intended to satisfy the requirements for exemption from Section 162(m) in fact will. Further, the Compensation Committee reserves the right to modify compensation that was initially intended to be exempt from Section 162(m) if it determines that such modifications are consistent with our business needs.

Stock Ownership Guidelines

The Compensation Committee has adopted stock ownership guidelines to foster long-term stock holdings by company leadership. These guidelines create a strong link between stockholders' and management's interests. NEOs are required to own a designated multiple of their respective base salary. The multiples for each NEO are as follow:

Name	Stock Ownership Multiple of Base Salary
Julie A. Schertell	6x
Paul F. DeSantis	3x
Michael W. Rickheim	2x
Noah S. Benz	2x
Kingsley E. Shannon	2x

Each NEO is required to hold at least 50% of vested shares until they reach the ownership guidelines. The following holdings are counted toward fulfilling guidelines, with each being valued using our stock price as of December 31 of each year: (i) stock held in the 401(k) Plan, other deferral plans, outright, or in brokerage accounts, (ii) RSUs earned but not vested or not paid out, and (iii) intrinsic value of vested or unvested stock options and SARs.

CEO Pay Ratio

Under Section 953(b) of the Dodd Frank Wall Street Reform and Consumer Protection Act and Item 402(u) of Regulation S-K, the Company is required to provide the ratio of the annual total compensation of its Chief Executive Officer, Ms. Schertell, to the annual total pay of the median employee of the Company (the "Pay Ratio Disclosure"). For 2021, the Company calculated the median compensation of all employees of the Company and its consolidated subsidiaries (other than Ms. Schertell), which included employees located in the United States, Germany, The Netherlands, England, Spain and Mexico to be $61,113. Ms. Schertell's total compensation in 2021 for purposes of the Pay Ratio Disclosure was $2,951,554. Based on this information, the ratio of the compensation of the Chief Executive Officer to the median annual total compensation of all other employees for purposes of the 2021 Pay Ratio Disclosure was estimated to be 48 to 1.

The Pay Ratio Disclosure above was calculated in accordance with SEC rules based upon the Company's reasonable judgment and assumptions using the methodology described below. The SEC rules do not specify a single methodology for identification of the median employee or calculation of the Pay Ratio Disclosure and other companies may use assumptions and methodologies that are different from those used by the Company in calculating their Pay Ratio Disclosure. Accordingly, the pay ratio disclosed by other companies may not be comparable to the Company's Pay Ratio Disclosure above. The Company's methodology for calculating the Pay Ratio Disclosure included the following:

- Reviewed total annual cash earnings of all employees on December 31, 2021 for our 2021 fiscal year. This included both base pay and any overtime/premium pay earned by each employee in 2021.
- Permanent employee hours were annualized if they did not work a full year (i.e. someone working a 20-hour workweek would be annualized at 1,040 hours a year, and someone full-time would be annualized at 2,080 hours a year). Temporary and seasonal employees were not annualized if they did not work a full year.
- We identified the median employee based on total 2021 annualized earnings and then captured all 2021 pay components under the summary compensation table for such identified employee to compare to the Chief Executive Officer.
- Currency used to convert pay was determined as of December 31, 2021 as follows:
    - 1.1343 USD to 1 EUR
    - 1.3512 USD to 1 GBP
    - 0.0489 USD to 1 MXN

Clawback Policy

The Compensation Committee adopted a "clawback policy" for all executives and other employees participating in our STIP program concerning the payment of STIP payments and long-term equity grants under the LTIP program. This policy gives the Board the authority to reclaim certain overstated payments made to Neenah employees due to materially inaccurate results presented in the Company's audited financial statements or if the Board concludes that such employee engaged in improper conduct.

Compensation Committee Interlocks and Insider Participation

The following directors served on the Compensation Committee during 2021: Ms. Dano, Mr. Lucas, Mr. Thene, and Dr. Stephen M. Wood. Dr. Wood retired from the Board of Directors at the 2021 Annual Meeting. Mr. Lucas will not stand for re-election as a member of the Board of Directors at the 2022 Annual Meeting and will cease to be a member of the Compensation Committee at that time. None of the members of the Compensation Committee was an officer or employee of Neenah during 2021 or any time prior thereto, and none of the members had any relationship with Neenah during 2021 that required disclosure under Item 404 of Regulation S-K. None of our executive officers serves as a member of the Board of Directors or Compensation Committee of any entity that has one or more of its executive officers serving as a member of our Board of Directors or Compensation Committee.

Policies against Hedging and Pledging Securities

Our insider trading policy provides that directors, officers and employees are prohibited from engaging in short sales and buying or selling puts or calls or other derivative securities of Neenah. Directors and officers are also prohibited from holding Neenah securities in a margin account or pledging Neenah securities as collateral for a loan.

COMPENSATION COMMITTEE REPORT

The Compensation Committee oversees Neenah's compensation policies and programs on behalf of the Board. In fulfilling this responsibility, the Compensation Committee has reviewed and discussed with Neenah's management the Compensation Discussion and Analysis included in this Proxy Statement. In reliance on such review and discussions, the Compensation Committee recommended to Neenah's Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and in the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

Compensation Committee:

- **Tony R. Thene, Chair**
- **Margaret S. Dano**
- **Timothy S. Lucas**
- **Donna M. Costello**

ADDITIONAL EXECUTIVE COMPENSATION INFORMATION

Summary Compensation Table

The following table reflects compensation paid to or earned by our NEOs for services rendered during 2021, 2020 and 2019:

Name and Principal Position	Year	Salary ($)(1)	Bonus ($)	Stock Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)(3)	All Other Compensation ($)(4)	Total ($)
Julie A. Schertell, President & Chief Executive Officer	2021	800,000	–	1,800,039	200,000	121,800	2,921,839
	2020	673,333	–	1,369,332	415,056	72,306	2,530,027
	2019	460,000	–	427,425	111,780	54,155	1,053,360
Paul F. DeSantis, Executive Vice President, Chief Financial Officer & Treasurer(5)	2021	500,000	–	500,002	81,250	53,561	1,134,813
	2020	296,627	–	718,879	142,678	19,600	1,177,784
Michael W. Rickheim, Executive Vice President, Chief Human Resources Officer & Chief Administrative Officer(6)	2021	385,000	–	288,744	57,750	44,793	776,287
	2020	251,231	100,000	441,101	111,547	20,074	923,953
Noah S. Benz, Executive Vice President, General Counsel & Secretary	2021	361,000	–	306,870	54,150	51,917	773,937
	2020	353,479	–	240,166	130,787	34,314	758,746
	2019	310,000	–	208,026	103,075	27,461	648,562
Kingsley E. Shannon, Executive Vice President, Segment President, Fine Paper & Packaging	2021	330,000	–	241,491	104,775	52,159	701,425
	2020	263,581	–	60,672	78,020	34,403	436,676
	2019	237,038	–	61,155	113,452	25,924	437,569
Byron J. Racki, Former Executive Vice President, Segment President, Technical Products	2021	400,000	–	340,048	–	59,318	799,366
	2020	391,667	–	307,067	159,408	49,139	907,281
	2019	377,000	–	291,903	227,143	37,289	933,335

(1) Amounts shown reflect actual earnings during the applicable year and include mid-year salary adjustments. Please see the "Compensation Discussion & Analysis" section of this Proxy Statement for base salary information for each NEO as of December 31, 2021.

(2) Amounts shown reflect the aggregate grant date fair value with respect to PSUs and RSUs granted pursuant to the 2018 Omnibus Plan. The amounts represent the grant date fair value of the PSU and RSU awards in accordance with ASC 718. The grant date fair value of the stock awards is equal to the fair market value of the underlying common stock on the date of grant. See Note 9 of Notes to Consolidated Financial Statements included in our 2021 Annual Report on Form 10-K for the assumptions used in valuing the PSUs and RSUs granted.

(3) Amounts shown reflect annual performance bonuses earned in the fiscal year and paid in the following year. 2021 amounts are described in detail in the portion of our "Compensation Discussion and Analysis" captioned "2021 Annual Performance Bonus Awards."

(4) Amounts included in the "All Other Compensation" include the following categories of perquisites: annual physicals, tax preparation, and financial planning. In 2021, our NEOs received a $15,000 lump sum stipend to be used for such expenses. In addition, the amounts in this column include Neenah's contribution to the 401(k) Plan and Supplemental RCP account of our NEOs as follows (as further disclosed on page 41 of this Proxy Statement):

Name	Year	Amount ($)
Julie A. Schertell	2021 2020 2019	106,800 71,256 49,955
Paul F. DeSantis	2021 2020	38,561 17,100
Michael W. Rickheim	2021 2020	29,793 15,074
Noah S. Benz	2021 2020 2019	36,917 34,312 27,460
Kingsley E. Shannon	2021 2020 2019	37,159 33,322 25,923
Byron J. Racki	2021 2020 2019	44,318 47,254 36,464

(5) Mr. DeSantis joined the Company on May 13, 2020.

(6) Mr. Rickheim joined the Company on April 6, 2020.

2021 Grants of Plan Based Awards

The following table contains information relating to the plan-based awards grants made in 2021 to our NEOs under the 2018 Omnibus Plan and is intended to supplement the "Summary Compensation Table" listed above:

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)				
Name	Plan	Grant Date	Non-equity incentive threshold ($)	Non-equity incentive target ($)	Non-equity incentive maximum ($)	Equity incentive threshold (#)	Equity incentive target shares (#)	Equity incentive maximum (#)	All other stock awards shares or units (#)(3)	Grant Date Fair Value of Stock Awards ($)
Julie A. Schertell	STIP	2/2/2021	0	800,000	1,600,000					
	PSU	2/2/2021				0	23,744	47,548		1,260,022
	RSU	2/2/2021							10,189	540,017
Paul F. DeSantis	STIP	2/2/2021	0	325,000	650,000					
	PSU	2/2/2021				0	6,604	13,208		350,012
	RSU	2/2/2021							2,830	149,990
Michael W. Rickheim	STIP	2/2/2021	0	231,000	462,000					
	PSU	2/2/2021				0	3,814	7,628		202,142
	RSU	2/2/2021							1,634	86,602
Noah S. Benz	STIP	2/2/2021	0	216,600	433,200					
	PSU	2/2/2021				0	4,053	8,106		214,809
	RSU	2/2/2021							1,737	92,061
Kingsley E. Shannon	STIP	2/2/2021	0	165,000	330,000					
	PSU	2/2/2021				0	2,833	5,666		150,149
	RSU	2/2/2021							1,214	64,342
Byron J. Racki	STIP	2/2/2021	0	215,416	430,832					
	PSU	2/2/2021				0	4,491	8,982		238,023
	RSU	2/2/2021							1,925	102,025

(1) Reflects the range of potential annual incentive bonus payments that could have been earned by each NEO under Neenah's STIP in 2021. The actual bonuses earned in 2021 are reflected in the "Summary Compensation Table" above under the caption "Non-Equity Incentive Plan Compensation." For more information regarding annual incentive bonus opportunities, see the discussion in the "Compensation Discussion and Analysis" section of this Proxy Statement.

(2) Reflects the range of potential PSUs that may be earned by each NEO based on the Company's level of achievement of performance goals during the three-year performance period ending December 31, 2023. For more information regarding the PSUs, including how the number of PSUs awarded was determined and the vesting terms applicable to such units, see the discussion in the "Compensation Discussion and Analysis" section of this Proxy Statement.

(3) The RSUs vest in increments of 33.34%, 33.33% and 33.33% over a three-year period, with vesting occurring on the first, second, and third anniversary of the date of grant.

Outstanding Equity Awards at 2021 Fiscal Year-End

The following table sets forth information concerning outstanding equity awards for our NEOs as of December 31, 2021.

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units or Stock That Have Not Vested	Market Value of Shares or Units of Stock	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Julie A. Schertell	3,000	–	–	24.09(1)	01/24/2022				
	4,900	–	–	31.23(2)	01/28/2023				
	4,370	–	–	42.82(3)	01/27/2024				
	4,380	–	–	59.72(4)	01/26/2025				
	5,996	–	–	57.95(5)	01/25/2026				
	7,085	–	–	82.15(6)	01/29/2027				
	7,186	–	–	93.35(7)	01/29/2028				
								13,333(8)	617,051
						2,963(9)	137,127		
						10,189(10)	471,547		
								23,774(11)	1,100,261
Paul F. DeSantis								6,707(8)	310,400
						2,981(9)	137,961		
						4,471(12)	206,918		
						2,830(10)	130,972		
								6,604(11)	305,633
Michael W. Rickheim								3,407(8)	157,676
						1,515(9)	70,114		
						4,993(13)	231,076		
						1,634(10)	75,622		
								3,814(11)	76,512
Noah S. Benz	1,812	–	–	82.15(6)	01/29/2027				
	1,796	–	–	93.35(7)	01/29/2028				
								2,035(8)	94,180
						453(9)	20,964		
						1,737(10)	80,388		
								4,053(11)	187,573
Kingsley E. Shannon	261	–	–	42.82(3)	01/27/2024				
	607	–	–	59.72(4)	01/26/2025				
	796	–	–	57.95(5)	01/25/2026				
	1190	–	–	82.15(6)	01/29/2027				
	1126	–	–	93.35(7)	01/29/2028				
								514(8)	23,788
						115(9)	5,322		
						1,214(10)	56,184		
								2,833(11)	131,111
Byron J. Racki	1,940	–	–	59.72(4)	01/26/2025				
	2,548	–	–	57.95(5)	01/25/2026				
	3,232	–	–	82.15(6)	01/29/2027				
	3,713	–	–	93.35(7)	01/29/2028				

(1) These options were granted on January 25, 2012 and vested as follows: 33.34% on January 25, 2013 and 33.33% on both January 25, 2014 and January 25, 2015. These options were converted to SARs on July 1, 2014.

(2) These options were granted on January 29, 2013, and vest as follows: 33.34% on January 29, 2014 and 33.33% on both January 29, 2015 and January 29, 2016. These options were converted to SARs on July 1, 2014.

(3) These options were granted on January 28, 2014, and vest as follows: 33.34% on January 28, 2015 and 33.33% on both January 28, 2016 and January 28, 2017. These options were converted to SARs on July 1, 2014.

(4) These SARs were granted on January 27, 2015, and vest as follows: 33.34% on January 27, 2016 and 33.33% on both January 27, 2017 and January 27, 2018.

(5) These SARs were granted on January 26, 2016, and vest as follows: 33.34% on January 26, 2017 and 33.33% on both January 26, 2018 and January 26, 2019.

(6) These SARs were granted on January 30, 2017, and vest as follows: 33.34% on January 30, 2018 and 33.33% on both January 30, 2019 and January 30, 2020.

(7) These SARs were granted on January 30, 2018, and vest as follows: 33.34% on January 30, 2019 and 33.33% on both January 30, 2020 and January 30, 2021.

(8) These PSU target levels were set on February 4, 2020 and are subject to a three-year performance period ending December 31, 2022.

(9) These RSUs were granted on February 4, 2020, and vest on December 31, 2022.

(10) These RSUs were granted on February 2, 2021, and vest as follows: 33.4% on February 2, 2022 and 33.3% on both February 2, 2023 and February 2, 2024.

(11) These PSU target levels were set on February 2, 2021 and are subject to a three-year performance period ending December 31, 2023.

(12) These RSUs were granted on May 13, 2020 and vest 100% on May 13, 2023.

(13) These RSUs were granted on April 6, 2020 and vest 100% on April 6, 2023.

Option Exercises and Stock Vested in 2021

The following table sets forth information regarding stock options or SARs exercised and stock awards vested for our NEOs during 2021:

Name	Option Awards		Stock Awards(1)	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)(2)
Julie A. Schertell	0	0	5,937	276,578
Paul F. DeSantis	0	0	1,490	84,199
Michael W. Rickheim	0	0	757	39,583
Noah S. Benz	0	0	1,837	85,473
Kingsley E. Shannon	0	0	545	25,511
Byron J. Racki	0	0	2,566	119,695

(1) These shares represent the vesting of (i) PSUs granted to each of our NEOs in January 2019 and which vested on December 31, 2021 after a one-year performance and two-year holding period, and (ii) PSUs granted to each of our NEOs in January 2019 and which vested on February 2, 2021 after a three-year performance period, and (iii) RSUs granted to each of our NEOs in January 2019 and 2020 and which vested 33.34% on December 31, 2021.

(2) Reflects the market value of the shares on the vesting date.

2021 Non-qualified Deferred Compensation

The Supplemental RCP is a non-qualified excess benefit and supplemental retirement plan pursuant to which the Company provides additional retirement benefits to certain highly compensated employees. These Company contributions are intended to provide contributions to those individuals whose benefits under tax-qualified programs are restricted by the limitations permitted by the Internal Revenue Code. Contributions are held for each participant in either an excess benefit or supplemental benefit unfunded separate account. Participant accounts are credited with earnings, gains, and losses based on the rate of return of investment funds selected by the participant, which the participant may elect to change in accordance with the participant's elections under the Supplemental RCP. Payments can be tied to termination of employment, including retirement, and would be paid in a lump sum.

If a participant dies before receiving the full value of their account balance, the participant's beneficiary would receive the remainder of the benefit in one lump sum payment. All accounts would be distributed promptly following a change in control, subject to a 10% reduction in a current participant's account and a 5% reduction in an account for a retired participant.

The Deferred Compensation Plan enables our executive officers to defer a portion of annual cash compensation (base salary and non-equity awards under our STIP). This plan is intended to assist our executive officers in maximizing the value of the compensation they receive from the Company and assist in their retention.

NEO participation in the Supplemental RCP and the Deferred Compensation Plan in 2021 was as follows:

Name	Executive Contributions in last Fiscal Year	Company Contributions in last Fiscal Year(1)	Aggregate Earnings in last Fiscal Year	Aggregate Withdrawal/ Distributions	Aggregate Balance at Last Fiscal Year
Julie A. Schertell	–	$76,317	$55,080	–	$523,585
Noah S. Benz	–	$15,134	$14,981	–	$91,730
Paul F. DeSantis	$2,410	$21,161	$569	–	$24,139
Michael W. Rickheim	$1,033	$12,393	$475	–	$13,902
Kingsley E. Shannon	–	$8,851	$3,530	–	$35,821
Byron J. Racki	–	$18,185	$29,005	–	$197,362

(1) Amounts included in the "All Other Compensation" column of the "Summary Compensation Table" for 2021.

Potential Payments Upon Termination

We do not have employment agreements or other individual arrangements with our NEOs that provide for specific benefits upon a termination of employment. In general, upon the termination of employment, an executive officer will receive compensation and benefits for which he or she has already vested. This includes accrued but unpaid salary, accrued and unused vacation pay, and payments and benefits accrued under our broad-based benefit programs.

The following table shows the payments that would be made to each of our NEOs under the 2017 Executive Severance Plan in connection with a change in control termination as of December 31, 2021, as further described in the "Compensation Discussion and Analysis" section of this Proxy Statement:

Payments	Julie A. Schertell	Paul F. DeSantis	Michael W. Rickheim	Noah S. Benz	Kingsley E. Shannon
Severance(1)	$3,200,000	$1,650,000	$1,232,000	$1,155,200	$990,000
Non-Equity Incentive Payment(2)	–	–	–	–	–
Unvested Restricted Stock(3)	$323,729	$475,851	$376,812	$101,353	$61,506
Unvested Performance Stock(4)	$1,806,640	$647,429	$352,603	$297,054	$162,175
Retirement Benefit Payment(5)	$259,716	$99,000	$128,180	$82,356	$69,966
Welfare Benefit Values(6)	$41,768	–	$41,768	$54,697	$54,697
Outplacement	$50,000	$50,000	$50,000	$50,000	$50,000
Aggregate Payments	$5,681,852	$2,922,280	$2,181,363	$1,740,661	$1,388,344

(1) Severance payment equal to two times the sum of the executive's annual base salary at the time of the termination, plus two times the target STIP bonus.

(2) The Target Non-Equity Incentive Payment is prorated for the number of days in the calendar year prior to termination. Since the assumed termination is December 31, 2021, the Non-Equity Incentive Payment for 2021 would have been earned and paid to the executives and would not be payable under the 2017 Executive Severance Plan.

(3) Total value of unvested Restricted Stock that would become vested upon a change in control assuming a share price of $46.28 and a change in control date of December 31, 2021.

(4) Amounts are based on target.

(5) Actuarial value attributable to retirement benefits.

(6) Estimated value associated with the continuation of medical and dental for two years post-termination.

AUDIT RELATED MATTERS

AUDIT COMMITTEE REPORT

The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities relating to the accuracy and integrity of Neenah's financial reporting, including the performance and the independence of Neenah's independent registered public accounting firm, Deloitte & Touche LLP ("Deloitte"). Our Board of Directors adopted an Audit Committee Charter, which sets forth the responsibilities of the Audit Committee. The charter is available on our website at www.neenah.com. The Audit Committee reviewed and discussed with management and Deloitte our audited financial statements for the year ended December 31, 2021. The Audit Committee also discussed with Deloitte the matters required to be discussed under Public Company Accounting Oversight Board ("PCAOB") Auditing Standards No. 1301, Communications with Audit Committees.

The Audit Committee received the written disclosures and other communications from Deloitte that are required by the applicable requirements of the PCAOB regarding Deloitte's communications with the Audit Committee, which included independence considerations. The Audit Committee reviewed the audit and non-audit services provided by Deloitte for the year ended December 31, 2021, and determined to engage Deloitte as the independent registered public accounting firm of Neenah for the year ending December 31, 2022.

The Audit Committee also received and reviewed a report by Deloitte outlining communications required by NYSE listing standards describing: (1) the firm's internal quality control procedures; (2) any material issue raised by a) the most recent internal quality control review of the firm, b) peer review of the firm, or c) any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with issues; and (3) (to assess Deloitte's independence) all relationships between Deloitte and us.

In reliance upon the Audit Committee's review of the audited financial statements, the discussions noted above, and Deloitte's report, the Audit Committee recommended to the Board of Directors, and the Board of Directors approved, that the audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2021 for filing with the SEC.

Audit Committee:

- **Donna M. Costello, Chair**
- **Philip C. Moore**
- **Timothy S. Lucas**
- **William M. Cook**
- **Shruti Singhal**

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FEES AND SERVICES

Aggregate fees for professional services rendered for us by Deloitte, the member firms of Deloitte Touche and Tohmatsu and their respective affiliates as of or for the fiscal years ended December 31, 2021 and 2020 are set forth below. The aggregate fees included in the Audit category are fees billed for the fiscal year for the integrated audit of our annual financial statements and review of statutory and regulatory filings. The aggregate fees included in each of the other categories are fees billed in the fiscal years.

Audit Fees were for professional services rendered for the audit of our annual consolidated financial statements including the audit of our internal control over financial reporting and review of Quarterly Reports on Form 10-Q filed by us with the SEC.

	2020	2021
Audit Fees	$1,998,000	$2,226,000
Audit Related Fees	–	–
Tax Fees	–	–
All Other Fees	–	–
Total	**$1,998,000**	**$2,226,000**

POLICY ON AUDIT COMMITTEE PRE-APPROVAL

To avoid potential conflicts of interest in maintaining auditor independence, the law prohibits a publicly-traded company from obtaining certain non-audit services from its independent registered public accounting firm. The law also requires the audit committee of a publicly traded company to pre-approve other services provided by the independent registered public accounting firm. Pursuant to its charter, the Audit Committee's policy is to pre-approve all audit and permissible non-audit services provided by the independent registered public accounting firm. In its pre-approval of non-audit services, the Audit Committee considers, among other factors, the possible effect of the performance of such services on the auditor's independence.

The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any Audit Committee member to whom pre-approval authority is delegated shall be presented to the full Audit Committee at its next scheduled meeting. The Audit Committee pre-approved all services performed by the independent registered public accounting firm in 2021 and 2020, including those services described in the table above under the captions "Audit Fees."

ELECTION OF DIRECTORS (ITEM 1)

BOARD APPROVED NOMINEES

The Board unanimously recommends that the stockholders vote "FOR" the proposal to re-elect Tony R. Thene and Shruti Singhal as Class III directors for a three-year term expiring at the 2025 Annual Meeting of Stockholders.

The Board currently consists of eight members divided into one class of two directors (Class II) and two classes of three directors (Classes I and III). The directors in each class serve three-year terms, with the terms of the Class III directors expiring at the 2022 Annual Meeting.

The Board has nominated Tony R. Thene and Shruti Singhal, each a current Class III director, for re-election at the 2022 Annual Meeting. If re-elected, the nominees will serve a three-year term expiring at the 2025 Annual Meeting of Stockholders. Each of the nominees has consented to serve another term as a director if re-elected.

If any of the nominees should be unavailable to serve for any reason (which is not anticipated), the Board may (i) designate a substitute nominee or nominees (in which event the persons named on the enclosed proxy card will vote the shares represented by all valid proxy cards for the election of such substitute nominee or nominees), (ii) allow the vacancies to remain open until a suitable candidate or candidates are located, or (iii) by resolution provide for a lesser number of directors.

On January 27, 2022, Mr. Lucas delivered notice to the Board of his intent to not stand for re-election as Class III director at the Company's 2022 Annual Meeting. The Board has not made any nominations and does not currently intend to fill this Class III vacancy at this time. Accordingly, immediately following the 2022 Annual Meeting, the Board will consist of seven members divided into two classes of two directors (Classes II and III) and one class of three directors (Class I).

If any incumbent nominee for director in an uncontested election should fail to receive the required affirmative vote of the holders of a majority of the shares represented and entitled to vote at the Annual Meeting, under Delaware law the director remains in office as a "holdover" director until his or her successor is elected and qualified or until his or her earlier resignation, retirement, disqualification, removal from office or death. In the event of a holdover director, the Board of Directors in its discretion may request the director to resign from the Board. If the director resigns, the Board of Directors may immediately fill the resulting vacancy, allow the vacancy to remain open until a suitable candidate is located and appointed, or adopt a resolution to decrease the authorized number of directors.

This Proxy Statement contains certain information as of March 26, 2022, regarding the nominees and each director continuing in office, including their ages, principal occupations (which have continued for at least the past five years unless otherwise noted), current Board experience and participation, and how the background, experience, and qualification of each nominee and director make them well suited to serve on Neenah's Board.

ADVISORY VOTE ON EXECUTIVE COMPENSATION (ITEM 2)

BOARD APPROVED COMPENSATION

The Board of Directors unanimously recommends that the stockholders vote "FOR" the approval of the advisory vote on the Company's executive compensation.

Section 14A of the Exchange Act requires that we include in this Proxy Statement a non-binding stockholder vote on our executive compensation as described in this Proxy Statement (commonly referred to as "Say-on-Pay").

We encourage stockholders to review the "Compensation Discussion and Analysis" section of this Proxy Statement. Our executive compensation program has been designed to pay-for-performance and aligns our compensation programs with business strategies focused on long-term growth and creating value for stockholders while also paying competitively and focusing on total compensation.

The Company's executive compensation programs are designed to attract, motivate, and retain highly qualified executive officers who are able to achieve corporate objectives and create stockholder value. The Compensation Committee believes the Company's executive compensation programs reflect a strong pay-for-performance philosophy and are well aligned with the stockholders' long-term interests without promoting excessive risk. We feel this design is evidenced by the following:

- A majority of our executives' compensation is directly linked to our performance and the creation of stockholder value. The overall compensation mix is targeted to include at least 50% performance-based compensation for the NEOs with a higher percentage of our CEO's compensation being performance-based. In 2021, 76% of our CEO's compensation was performance-based at target levels.
- Our long-term incentive awards are exclusively in the form of PSUs and RSUs and all of our incentive plans have capped payouts.
- LTIP grants are split with 70% of the total value of the awards granted as PSUs with a three-year vesting and three-year performance period, and 30% as RSUs with annual vesting equally over a three-year period. For our PSUs, we use objective performance metrics closely tied to financial performance and stockholder value, specifically maintaining an attractive return on invested capital, corporate revenue growth, free cash flow as a percentage of net sales, and relative total stockholder return.
- Our STIP is based on a pay for performance philosophy, with target bonus opportunities ranging from 50% to 100% of base salary In 2021, NEOs received a payment 25% of target as a result of performance in Corporate EBIT and Free Cash Flow Delivery.
- We have meaningful stock ownership requirements for our NEOs.
- We do not have employment agreements or other individual arrangements with our NEOs that provide for a specified term of employment, compensation terms, or specific benefits upon a termination of employment.
- Benefits under our 2017 Executive Severance Plan in connection with a change in control are payable only on a double-trigger basis (i.e., following both a change in control and a qualifying termination of employment).
- The Compensation Committee is advised by an independent compensation consultant who keeps the Committee apprised of developments and best practices.
- The Company has a clawback policy which allows the Company to recoup awards if payment or vesting was based on financial criteria that are later deemed to be materially inaccurate or if the Board concludes that such employee engaged in improper conduct.
- In 2017, the Compensation Committee amended the Company's executive severance plan to remove the excise tax gross-up provision.
- The Board strongly endorses the Company's executive compensation program and recommends that stockholders vote in favor of the following resolution:

  RESOLVED, that the stockholders approve the compensation of the Company's named executive officers as described in this proxy statement under "Executive Compensation," including the "Compensation Discussion and Analysis" and the tabular and narrative disclosure contained in this proxy statement.

Because the vote is advisory, it will not be binding upon the Board of Directors or the Compensation Committee, and neither the Board of Directors nor the Compensation Committee will be required to take any action as a result of the outcome of the vote on this proposal.

The Compensation Committee will consider the outcome of the vote when considering future executive compensation arrangements.

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (**ITEM 3**)

BOARD APPROVED ACCOUNTING FIRM

The Board of Directors unanimously recommends that the stockholders vote "FOR" the proposal to ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm.

The Audit Committee and the Board unanimously recommend that the stockholders vote "FOR" the proposal to ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm.

The Audit Committee of our Board of Directors, in accordance with its charter and authority delegated to it by the Board, has appointed the firm of Deloitte & Touche LLP to serve as our independent registered public accounting firm for the year ending December 31, 2022. As a matter of good corporate practice, the Board has directed that such appointment be submitted to our stockholders for ratification at the 2022 Annual Meeting. Deloitte & Touche LLP has served as our independent registered public accounting firm since our spin-off in November 2004 and is considered by our Audit Committee to be well qualified. If the stockholders do not ratify the appointment of Deloitte & Touche LLP, the Audit Committee will reconsider the appointment. Even if the stockholders ratify the appointment, the Audit Committee, in its discretion, may appoint a different independent auditor at any time during the year if the Audit Committee determines that such a change would be in the best interests of Neenah and its stockholders.

Representatives of Deloitte & Touche LLP will be present at the 2022 Annual Meeting. They will be available to respond to appropriate questions from stockholders.

FAQ: ANNUAL MEETING AND VOTING

When and where is the Annual Meeting?

When: Thursday, May 19, 2022, at 3:00 p.m. ET

Where: www.virtualshareholdermeeting.com/NP2022

Who is entitled to vote at the Annual Meeting?

You are entitled to vote at the Annual Meeting if you owned our common stock, par value $0.01 per share, as of the close of business March 25, 2022 (the "Record Date"), with each share entitling its owner to one vote on each matter submitted to the stockholders. On the record date, 16,787,594 shares of common stock were outstanding and eligible to be voted at the Annual Meeting. The presence, in person or by proxy, of the holders of a majority of the issued and outstanding shares of our common stock is necessary to constitute a quorum at the 2022 Annual Meeting.

How do I vote at the Annual Meeting?

You may vote at the Annual Meeting or by proxy. We recommend you vote by proxy even if you plan to attend the 2022 Annual Meeting. You can always change your vote at the meeting. Giving us your proxy means you authorize us to vote your shares at the 2022 Annual Meeting in the manner you direct.

If your shares are held in your name, you can vote by proxy in three convenient ways:

- **Via the Internet:** Go to http://www.proxyvote.com and follow the instructions.

- **By Telephone:** Call toll-free 1-800-690-6903 and follow the instructions.

- **By Mail:** Request a printed copy of the proxy materials disclosed in this Proxy Statement and complete, sign, date and return your proxy card in the envelope included with your printed proxy materials.

If your shares are held in street name, the availability of telephone and Internet voting will depend on the voting processes of the applicable bank or brokerage firm; therefore, it is recommended that you follow the voting instructions on the form you receive from your bank or brokerage firm. All properly executed proxies received by the Company in time to be voted at the 2022 Annual Meeting and not revoked will be voted at the 2022 Annual Meeting in accordance with the directions noted on the proxy card. If any other matters properly come before the 2022 Annual Meeting, the persons named as proxies will vote upon such matters according to their judgment.

We are also sending the Notice and voting materials to participants in various employee benefit plans of the Company. The trustee of each plan, as the stockholder of record of the shares of common stock held in the plan, will vote whole shares of stock attributable to each participant's interest in the plan in accordance with the directions the participant gives or, if no directions are given by the participant, in accordance with the directions received from the applicable plan committees.

Can I change my vote?

Any stockholder of record delivering a proxy has the power to revoke it at any time before it is voted at the 2022 Annual Meeting: (i) by giving written notice to Noah S. Benz, Executive Vice President, General Counsel and Secretary at 3460 Preston Ridge Road, Suite 600, Alpharetta, Georgia 30005; (ii) by submitting a proxy card bearing a later date, including a proxy submitted via the Internet or by telephone; or (iii) by voting at the 2022 Annual Meeting. Please note, however, that any beneficial owner of our common stock whose shares are held in street name may (a) revoke his or her proxy and (b) vote his or her shares at the 2022 Annual Meeting only in accordance with applicable rules and procedures as then may be employed by such beneficial owner's brokerage firm or bank.

What Proposals am I being asked to vote on at the 2022 Annual Meeting and what is required to approve each proposal?

You are being asked to vote on three proposals:

- **Proposal 1** – the election of the two nominees as Class III directors;
- **Proposal 2** – the approval, in a non-binding advisory vote, of Neenah's executive compensation; and
- **Proposal 3** – the ratification of the appointment of our independent public accounting firm.

In voting with regard to Proposal 1, you may vote in favor of each nominee, against each nominee, or may abstain from voting. A majority of the shares of common stock represented and entitled to vote on Proposal 1 is required for the election of each director, provided a quorum is present. Abstentions will be considered in determining the number of votes required to obtain the necessary majority vote for the proposal, and therefore will have the same legal effect as votes against the proposal.

In voting with regard to Proposals 2 and 3, you may vote in favor of each proposal, against each proposal, or may abstain from voting. The vote required to approve Proposals 2 and 3 is majority of the shares of common stock represented and entitled to vote, provided a quorum is present. Abstentions will be considered in determining the number of votes required to obtain the necessary majority vote for each proposal, and therefore will have the same legal effect as votes against such proposal.

Neenah is not aware, as of the date hereof, of any matters to be voted upon at the 2022 Annual Meeting other than those stated in this Proxy Statement. If any other matters are properly brought before the 2022 Annual Meeting, your proxy gives discretionary authority to the persons named as proxies to vote the shares represented thereby in their discretion.

What happens if I don't return my proxy card or vote my shares?

If you hold your shares directly your shares will not be voted if you do not return your proxy card or vote at the 2022 Annual Meeting.

If your shares are held in the name of a bank or brokerage firm (in "street name") and you do not vote your shares, your bank or brokerage firm will only be permitted to exercise discretionary authority to vote your shares for proposals which are considered "discretionary" proposals. We believe that Proposal 3 is a discretionary proposal.

Brokers are prohibited from exercising discretionary authority for beneficial owners who have not provided voting instructions to the broker for proposals that are considered "non-discretionary" (a "broker non-vote"). We believe Proposals 1 and 2 are non-discretionary proposals. As such, broker non-votes will be counted for the purpose of determining if a quorum is present, but will not be considered as shares entitled to vote on Proposals 1 and 2, therefore will have no effect on the outcome of these proposals.

What happens if I sign, date and return my proxy card but do not specify how to vote my shares?

If a signed proxy card is received which does not specify a vote or an abstention, then the shares represented by that proxy card will be voted FOR the election of all Class III director nominees described herein, FOR the approval of the Company's executive compensation and FOR the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2022.

Why haven't I received a printed copy of the Proxy Statement or annual report?

We are choosing to follow the SEC rules that allow companies to furnish proxy materials to stockholders via the Internet. If you received a Notice of Internet Availability of Proxy Materials, or "Notice," by mail, you will not receive a printed copy of the proxy materials unless you specifically request one. The Notice instructs you on how to access and review all of the important information contained in the proxy statement and annual report as well as how to submit your proxy over the Internet. If you received the Notice and would still like to receive a printed copy of our proxy materials, you should follow the instructions for requesting these materials included in the Notice. We plan to mail the Notice to stockholders by April 8, 2022.

Who pays for the cost of this proxy solicitation?

We will bear the cost of preparing, printing and filing the Proxy Statement and related proxy materials. In addition to soliciting proxies through the mail, we may solicit proxies through our directors, officers, and employees, in person and by telephone or email and facsimile. We expect to retain Okapi Partners LLC to aid in the solicitation at a cost of approximately $10,000, plus reimbursement of out-of-pocket expenses. Brokerage firms, nominees, custodians, and fiduciaries also may be requested to forward proxy materials to the beneficial owners of shares held of record by them. We will pay all expenses incurred in connection with the solicitation of proxies.

When will voting results be made available?

We will announce the final results on our website at www.neenah.com shortly after the 2022 Annual Meeting and on Form 8-K immediately following the meeting.

BENEFICIAL OWNERSHIP

Directors and Executive Officers

The following table sets forth information regarding the beneficial ownership of our common stock as of March 26, 2022 with respect to: (i) each of our directors; (ii) each of the NEOs appearing elsewhere herein; and (iii) all executive officers and directors as a group, based in each case on information furnished to us by such persons. As used in this Proxy Statement, "beneficial ownership" means that a person has, as of March 26, 2022, or may have within 60 days thereafter, the sole or shared power to vote or direct the voting of a security and/or the sole or shared investment power to dispose of or direct the disposition of a security.

Name	Shares Beneficially Owned(1)	Percent of Class(2)
Noah S. Benz	3,433(3)	*
William M. Cook	10,631(4)	*
Donna M. Costello	3,866(5)	*
Margaret S. Dano	5,650(6)	*
Paul F. DeSantis	11,050	*
Timothy S. Lucas	24,549(7)	*
Philip C. Moore	19,979(8)	*
Michael W. Rickheim	880	*
Julie A. Schertell	14,427(9)	*
Kingsley E. Shannon	1,738(10)	*
Shruti Singhal	— (11)	*
Tony R. Thene	5,542(12)	*
All directors and executive officers as a group (14 persons)	105,695(13)	*

(1) Except as otherwise noted, the directors and executive officers, and all directors and executive officers as a group, have sole voting power and sole investment power over the shares listed. Shares of common stock held by the trustee of Neenah's 401(k) Retirement Plan for the benefit of, and which are attributable to our executive officers, are included in the table.

(2) An asterisk indicates that the percentage of common stock beneficially owned by the named individual does not exceed 1% of the total outstanding shares of our common stock.

(3) This total does not include 3,608 Stock Appreciation Rights.

(4) Includes 1,850 shares of common stock issuable upon conversion of restricted stock units that are vested or will vest within 60 days of March 26, 2022.

(5) Includes 1,850 shares of common stock issuable upon conversion of restricted stock units that are vested or will vest within 60 days of March 26, 2022.

(6) Includes 1,850 shares of common stock issuable upon conversion of restricted stock units that are vested or will vest within 60 days of March 26, 2022.

(7) Includes 1,850 shares of common stock issuable upon conversion of restricted stock units that are vested or will vest within 60 days of March 26, 2022.

(8) Includes 1,850 shares of common stock issuable upon conversion of restricted stock units that are vested or will vest within 60 days of March 26, 2022.

(9) This total does not include 33,917 Stock Appreciation Rights.

(10) This total does not include 3,980 Stock Appreciation Rights.

(11) Mr. Singhal was appointed to the Board of Directors on July 21, 2021.

(12) Includes 1,850 shares of common stock issuable upon conversion of restricted stock units that are vested or will vest within 60 days of March 26, 2022.

(13) On July 1, 2014 the Company converted all outstanding Stock Options to Stock Appreciation Rights which are not included in the calculation of beneficial ownership. Stock Appreciation Rights are disclosed in detail under the "Outstanding Equity Awards at 2021 Fiscal Year-End" section of this Proxy Statement.

Third Parties

The following table sets forth information regarding the beneficial ownership of our common stock as of December 31, 2021 for each person known to us to be the beneficial owner of more than 5% of our outstanding common stock.

	Common Stock Beneficially Owned	
Name and Address of Beneficial Owner	**Shares Beneficially Owned**	**Percent of Class**
Blackrock, Inc. 55 East 52nd Street New York, NY 10055	2,718,289(1)	16.2%
Allspring Global Investments Holdings, LLC 525 Market Street, 10th Floor San Francisco, CA 94105	1,895,920(2)	11.31%
Wellington Management Group LLP 280 Congress Street Boston, MA 02210	1,327,233(3)	7.92%
Macquarie Group Limited 50 Martin Place Sydney, New South Wales, Australia	1,117,194(4)	6.66%
The Vanguard Group 100 Vanguard Blvd. Malverne, PA 19355	1,114,762(5)	6.65%
Lazard Asset Management, LLC 30 Rockefeller Plaza New York, NY 10112	1,090,783(6)	6.51%

(1) The amount shown and the following information is derived from the Schedule 13G filed by Blackrock, Inc. on January 28, 2022, reporting beneficial ownership as of December 31, 2021. Of the 2,718,289 shares reported, Blackrock, Inc. reported sole dispositive power over all 2,718,289 shares and sole voting power over 2,671,942 shares.

(2) The amount shown and the following information is derived from the Schedule 13G filed by Allspring Global Investments Holdings, LLC, on behalf of itself and certain subsidiaries named therein, on January 18, 2022, reporting beneficial ownership as of December 31, 2021. Of the 1,895,920 shares reported by Allspring Global Investments Holdings, LLC, the filing reported sole dispositive power over 1,895,920of the shares and sole voting power with respect to 1,812,168 of the shares. Of the 1,890,990 shares reported by Allspring Global Investments, LLC, the filing reported sole voting power with respect to 278,007 of the shares and has sole dispositive power with respect to all 1,890,990 shares. Of the 1,539,091 shares reported by Allspring Funds Management, LLC, the filing reported sole voting power with respect to 1,534,161 of the shares and has sole dispositive power with respect to 4,930 shares.

(3) The amount shown and the following information is derived from the Schedule 13G filed by Wellington Management Group LLP, on behalf of itself and certain subsidiaries named therein, on February 4, 2022, reporting beneficial ownership as of December 31, 2021. Of the 1,327,233 shares reported by Wellington Management Group LLP, the filing reported shared

voting power with respect to 1,279,479 shares and shared dispositive power with respect to all 1,327,233 shares Of the 1,327,233 shares shown reported by Wellington Group Holdings LLP, the filing reported shared voting power with respect to 1,279,479 shares and shared dispositive power with respect to all 1,327,233 shares. Of the 1,327,233 shares shown reported by Wellington Investment Advisors Holdings LLP, the filing reported shared voting power with respect to 1,279,479 shares and shared dispositive power with respect to all 1,327,233 shares. Of the 1,305,293 shares reported by Wellington Management Company LLP, the filing reported shared voting power with respect to 1,257,539 shares and shared dispositive power with respect to all 1,305,293 shares.

(4) The amount shown and the following information is derived from the Schedule 13G filed by Macquarie Group Limited on behalf of itself and certain subsidiaries named therein, on February 14, 2022, reporting beneficial ownership as of December 31, 2021. The filing reported 1,117,194 shares are deemed beneficially owned by Macquarie Group Limited due to reporting person's ownership of Macquarie Management Holdings, Inc., Macquarie Investment Management Business Trust, Macquarie Investment Management Global Limited, and Delaware Small Cap Core Fund, a series of Delaware Group Equity Funds IV, as further detailed on the Schedule 13G filed by Macquarie Group Limited.

(5) The amount shown and the following information is derived from the Schedule 13G filed by The Vanguard Group on February 10, 2022, reporting beneficial ownership as of December 31, 2021. Of the 1,114,762 shares reported, The Vanguard Group reported sole dispositive power over 1,085,291 of the shares, shared voting power with respect to 16,967 shares, and shared dispositive power with respect to 29,471 shares.

(6) The amount shown and the following information is derived from the Schedule 13G filed by Lazard Asset Management, LLC on February 10, 2022, reporting beneficial ownership as of December 31, 2021. Of the 1,090,783 shares reported, Lazard Asset Management, LLC reported sole voting power over 599,053 of the shares and sole dispositive power with respect to all 1,090,783 shares.

STOCKHOLDERS' PROPOSALS FOR 2023 ANNUAL MEETING

Proposals of stockholders, excluding nominations for the Board, intended to be presented at the 2023 Annual Meeting should be submitted by certified mail, return receipt requested, and must be received by us at our executive offices in Alpharetta, Georgia, on or before December 8, 2022, the date that is 120 calendar days prior to the first anniversary of the date that this Proxy Statement is released to stockholders, to be eligible for inclusion in our Proxy Statement and form of proxy relating to that meeting and to be introduced for action at the 2023 Annual Meeting. In the event that the date of the 2023 Annual Meeting is changed more than thirty days from the date of this year's meeting, notice by stockholders should be received no later than (i) the close of business on the later of the 150th calendar day prior to the 2023 Annual Meeting, or (ii) the 10th calendar day on which public announcement of the date of such meeting is first made.

Any stockholder proposal must be in writing and must comply with Rule 14a under the Exchange Act and must set forth (i) a description of the business desired to be brought before the meeting and the reasons for conducting the business at the meeting; (ii) the name and address, as they appear on our books, of the stockholder submitting the proposal; (iii) the class and number of shares that are beneficially owned by such stockholder; (iv) the dates on which the stockholder acquired the shares; (v) documentary support for any claim of beneficial ownership as required by Rule 14a-8; (vi) any material interest of the stockholder in the proposal; (vii) a statement in support of the proposal; and (viii) any other information required by the rules and regulations of the SEC. Stockholder nominations for the Board must comply with the procedures set forth above under "Corporate Governance—Nomination of Directors."

The failure of a stockholder to deliver a proposal in accordance with the requirements of the preceding paragraphs may result in it being excluded from our Proxy Statement and ineligible for consideration at the 2023 Annual Meeting. Further, the submission of a proposal in accordance with the requirements of the preceding paragraph does not guarantee that we will include it in our Proxy Statement or that it will be eligible for consideration at the 2023 Annual Meeting. We strongly encourage any stockholder interested in submitting a proposal to contact Noah S. Benz, Executive Vice President, General Counsel and Secretary, 3460 Preston Ridge Road, Suite 600, Alpharetta, Georgia 30005, in advance of the submission deadline to discuss the proposal.

HOUSEHOLDING OF NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS

The SEC's proxy rules permit companies and intermediaries, such as brokers and banks, to satisfy delivery requirements for Notices, and if applicable, the Proxy Statements and Annual Reports, with respect to two or more stockholders sharing the same address by delivering a single Notice to those stockholders. This method of delivery, often referred to as householding, should reduce the amount of duplicate information that stockholders receive and lower printing and mailing costs for companies. Neenah and certain intermediaries are householding Notices, and if applicable, proxy statements and annual reports, for stockholders of record in connection with its 2022 Annual Meeting. This means that:

- Only one Notice, if applicable, Proxy Statement and Annual Report on Form 10-K for the 2022 Annual Meeting, will be delivered to multiple stockholders sharing an address unless you notify your broker or bank to the contrary;

- You can contact Neenah by calling 678-566-6500 or by writing to INVESTOR RELATIONS, Neenah, Inc., at 3460 Preston Ridge Road, Suite 600, Alpharetta, Georgia 30005 to request a separate copy of the Notice, and if applicable, Proxy Statement and Annual Report on Form 10-K for the 2022 Annual Meeting and for future meetings or, if you are currently receiving multiple copies, to receive only a single copy in the future or you can contact your bank or broker to make a similar request; and

- You can request delivery of a single copy of the Notice, and if applicable, Proxy Statement and Annual Report on Form 10-K for the 2022 Annual Meeting, from your bank or broker if you share the same address as another Neenah stockholder and your bank or broker has determined to household proxy materials.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act and rules and regulations of the SEC thereunder require our directors, officers, and persons who beneficially own more than 10% of our common stock, as well as certain affiliates of such persons, to file initial reports of their ownership of our common stock and subsequent reports of changes in such ownership with the SEC. Directors, officers, and persons owning more than 10% of our common stock are required by SEC rules and regulations to furnish us with copies of all Section 16(a) reports they file.

Based solely on our review of the copies of such reports received by us and on information provided by the reporting persons, we believe that during 2021, our directors, officers, and owners of more than 10% of our common stock complied with all applicable filing requirements, except that: i) Mr. Lucas filed a Form 4 late on May 21, 2021 in connection with the exercise of SARs on May 10, 2021, (ii) Mr. Singhal filed a Form 3 late on August 5, 2021, in connection with Mr. Singhal being appointed to the Board of Directors on July 21, 2021, and (iii) Ms. Schertell and Messrs. Benz, Rickheim and DeSantis filed a Form 4 late on February 11, 2022 in connection with the annual grant of PSUs and RSUs pursuant to the Company's 2018 Omnibus Plan on January 26, 2022 and the vesting of PSUs on February 2, 2022.

OTHER MATTERS THAT MAY COME BEFORE THE ANNUAL MEETING

Our Board knows of no matters other than those referred to in the accompanying Notice of Annual Meeting of Stockholders which may properly come before the Annual Meeting. However, if any other matter should be properly presented for consideration and vote at the Annual Meeting or any adjournment(s) thereof, it is the intention of the persons named as proxies on the enclosed form of proxy card to vote the shares represented by all valid proxy cards in accordance with their judgment of what is in the best interest of Neenah and its stockholders.

Forward-Looking Statements

Certain of the matters discussed in this communication which are not statements of historical fact constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements, which are based on current expectations, estimates and projections about the industry and markets in which Schweitzer-Mauduit International, Inc. ("SWM") and Neenah, Inc. ("Neenah") operate and beliefs of and assumptions made by SWM management and Neenah management, involve uncertainties that could significantly affect the financial condition, results of operations, business plans and the future performance of SWM, Neenah or the combined company. Words such as "believes," "anticipates," "expects," "assumes," "outlook," "intends," "targeted," "estimates," "forecasts," "projects," "plans," "may," "could," "should," "would," and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying these statements. Such forward-looking statements include, but are not limited to, statements about the strategic rationale and financial benefits of the transaction, including expected future financial and operating results and the combined company's plans, objectives, expectations and intentions. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future — including statements relating to projections of revenue, income or loss, earnings or loss per share, the payment or nonpayment of dividends, capital structure and other financial items; statements of plans and objectives of SWM or Neenah or their respective management or Board of Directors, including those relating to products or services; and statements of future economic performance — are forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained, and therefore actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. In addition to factors previously disclosed in SWM's and Neenah's reports filed with the SEC and those identified elsewhere in this communication, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: the occurrence of any event, change or other circumstances that could give rise to the right of one or both of SWM and Neenah to terminate the merger agreement; the outcome of any legal proceedings that may be instituted against SWM, Neenah or their respective directors; the ability to obtain regulatory approvals and meet other closing conditions to the merger on a timely basis or at all, including the risk that regulatory approvals required for the merger are not obtained on a timely basis or at all, or are obtained subject to conditions that are not anticipated or that could adversely affect the combined company or the expected benefits of the transaction; the ability to obtain approval by SWM shareholders and Neenah shareholders on the expected terms and schedule; difficulties and delays in integrating SWM and Neenah businesses; failing to fully realize anticipated cost savings and other anticipated benefits of the merger when expected or at all; business disruptions from the proposed merger that will harm SWM's or Neenah's business, including current plans and operations; potential adverse reactions or changes to business relationships resulting from the announcement or completion of the merger, including as it relates to SWM's or Neenah's ability to successfully renew existing client contracts on favorable terms or at all and obtain new clients; the substantial indebtedness SWM expects to incur and assume in connection with the proposed transaction and the need to generate sufficient cash flows to service and repay such debt; the possibility that SWM may be unable to achieve expected synergies and operating efficiencies within the expected time-frames or at all and to successfully integrate Neenah's operations with those of SWM; failing to comply with the applicable laws or legal or regulatory developments; inflation, currency and interest rate fluctuations; the ability of SWM or Neenah to retain and hire key personnel; the diversion of management's attention from ongoing business operations; the duration and effects of the COVID-19 pandemic, general economic and business conditions, particularly in the context of the COVID-19 pandemic; increases in maintenance and operating costs; security threats; reliance on technology and related cybersecurity risk; trade restrictions or other changes to international trade arrangements; transportation of hazardous materials; various events which could disrupt operations, including geopolitical events, wars, conflicts, illegal blockades of rail networks, and natural events such as severe weather, droughts, fires, floods and earthquakes; climate change; labor negotiations and disruptions; environmental claims; uncertainties of investigations, proceedings or other types of claims and litigation; risks and liabilities arising from derailments; timing and completion of capital programs; uncertainty as to the long-term value of the common stock of SWM following the merger, including the dilution caused by SWM's issuance of additional shares of its common stock in connection with the transaction; the continued availability of capital and financing following the merger; the

business, economic and political conditions in the markets in which SWM and Neenah operate; and events beyond SWM's or Neenah's control, such as acts of terrorism.

Any forward-looking statements speak only as of the date of this communication or as of the date they were made, and neither SWM nor Neenah undertakes any obligation to update forward-looking statements. For a more detailed discussion of these factors, also see the information under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in SWM's and Neenah's most recent annual reports on Form 10-K for the year ended December 31, 2021, and any material updates to these factors contained in any of SWM's and Neenah's future filings with the U.S. Securities and Exchange Commission (the "SEC").

As for the forward-looking statements that relate to future financial results and other projections, actual results will be different due to the inherent uncertainties of estimates, forecasts and projections and may be better or worse than projected and such differences could be material. Given these uncertainties, you should not place any reliance on these forward-looking statements. Annualized, pro forma, projected and estimated numbers are used for illustrative purpose only, are not forecasts and may not reflect actual results.

Additional Information and Where to Find It

In connection with the proposed merger, SWM will file with the SEC a registration statement on Form S-4 to register the shares of SWM's common stock to be issued in connection with the merger. The registration statement will include a joint proxy statement/prospectus which will be sent to the shareholders of SWM and Neenah seeking their approval of their respective transaction-related proposals. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT ON FORM S-4 AND THE RELATED JOINT PROXY STATEMENT/PROSPECTUS INCLUDED WITHIN THE REGISTRATION STATEMENT ON FORM S-4, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS AND ANY OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED MERGER, WHEN THEY BECOME AVAILABLE, BECAUSE THEY DO AND WILL CONTAIN IMPORTANT INFORMATION ABOUT SWM, NEENAH AND THE PROPOSED MERGER.

Investors and security holders may obtain copies of these documents free of charge through the website maintained by the SEC at www.sec.gov or from SWM at its website, www. swmintl.com, or from Neenah at its website, www.neenah.com. Documents filed with the SEC by SWM will be available free of charge by accessing SWM's website at www.swmintl.com under the heading Investor Relations, or, alternatively, by directing a request by telephone or mail to SWM at 100 North Point Center East, Suite 600, Alpharetta, Georgia 30022, Attention: Investor Relations (1-800-514-0186), and documents filed with the SEC by Neenah will be available free of charge by accessing Neenah's website at www.Neenah.com under the heading Investor Relations or, alternatively, by directing a request by telephone or mail to Neenah at 3460 Preston Ridge Road, Alpharetta, Georgia 30005, Attention: Investor Relations: (678-566-6500).

Participants in the Solicitation

SWM and Neenah and certain of their respective directors, executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies from the shareholders of Neenah and SWM in connection with the proposed merger under the rules of the SEC. Information about SWM's directors and executive officers is available in SWM's proxy statement dated March 18, 2022 for its 2022 Annual Meeting of Shareholders. Information about Neenah's directors and executive officers is available in this proxy statement. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC regarding the merger when they become available. Investors should read the joint proxy statement/prospectus carefully when it becomes available before making any voting or investment decisions. You may obtain free copies

of these documents from the SEC's website at www.sec.gov or from Neenah or SWM using the sources indicated above.

No Offer or Solicitation

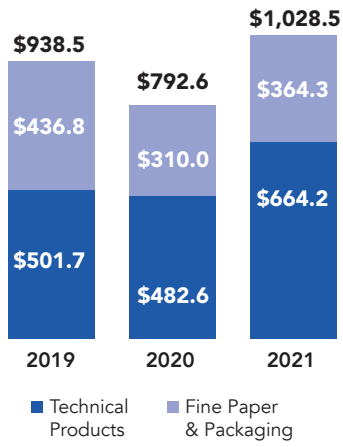
This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act.

FINANCIAL HIGHLIGHTS

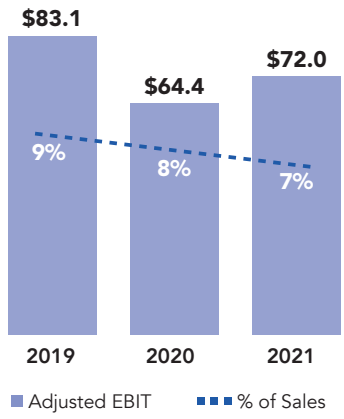
Continuing Operations	Year End December 31,		
(Dollars in millions, except share data)	**2019**	**2020**	**2021**
Consolidated Statement of Operations Data			
Net Sales	$938.5	$792.6	$1,028.5
Adjusted EBIT	$83.1	$64.4	$72.0
% ROS	8.9%	8.1%	7.0%
Earnings per Diluted Common Share			
Adjusted Earnings Per Share	$3.47	$2.46	$2.53
Weighted-Average Shares Outstanding (in thousands)	16,906	16,834	16,836
Consolidated Balance Sheet Data			
Total Assets	$827.8	$806.6	$1,081.7
Total Stockholders' Equity	$406.3	$367.6	$316.0
Total Debt	$200.8	$194.4	$441.3
Cash and Cash Equivalents	$9.0	$37.1	$23.9
Debt to Adjusted EBITDA	1.6x	1.9x	3.8x
Debt to Capital	33%	35%	58%
Other Financial Data			
Net Cash Flow Provided by (used for):			
Operating Activities	$97.6	$93.4	$53.2
Capital Expenditures	(21.4)	(18.9)	(28.2)
Free Cash Flow	$76.2	$74.5	$25.0
Stock Price at Year-End	$70.43	$55.32	$46.28
Cash Dividend	$1.80	$1.88	$1.885

GAAP Reconciliation	Year End December 31,		
(Dollars in millions, except per share data)	**2019**	**2020**	**2021**
Net Income (Loss)	$55.4	$(15.8)	$(24.9)
Provision (Benefit) for Income Taxes	11.1	(2.9)	(4.8)
Interest Expense, Net	11.8	12.6	17.9
EBIT (Operating Income (Loss))	78.3	(6.1)	(11.8)
Impairment and Asset Restructuring Costs	4.7	57.8	37.3
Acquisition-related Costs	—	1.5	18.4
Pension and SERP Adjustments	(1.4)	1.6	17.4
Other Restructuring and Non-routine Costs	1.5	6.1	9.1
COVID-19 Costs	—	3.5	1.6
Adjusted EBIT	83.1	64.4	72.0
Depreciation & Amortization	33.8	32.5	40.3
Amortization Equity-Based Compensation	5.6	4.2	4.5
Adjusted EBITDA	$122.5	$101.1	$116.8
Diluted Earnings (Loss) per Share	$3.26	$(0.96)	$(1.49)
Impairment and Asset Restructuring Costs	0.21	2.64	1.66
Acquisition-related Costs	—	0.07	0.83
Pension and SERP Adjustments	(0.06)	0.07	0.77
Other Restructuring and Non-routine Costs	0.06	0.26	0.40
COVID-19 Costs	—	0.16	0.07
Income Tax Adjustments	—	0.22	0.29
Adjusted Diluted E.P.S.	$3.47	$2.46	$2.53

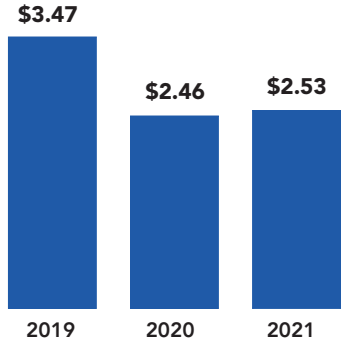
Net Sales by Business
(Dollars in millions)



Adjusted EBIT
(Dollars in millions)



Adjusted Earnings Per Share



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 001-32240

(Exact name of registrant as specified in its charter)

Delaware	**20-1308307**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3460 Preston Ridge Road	**Alpharetta**	**Georgia**	**30005**
(Address of Principal Executive Offices)			(Zip Code)

Registrant's telephone number, including area code: **(678) 566-6500**

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock — $0.01 Par Value	NP	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 USC. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the registrant's common stock held by non-affiliates on June 30, 2021 (based on the closing stock price on the New York Stock Exchange) on such date was $702,272,937.

As of February 16, 2022, there were approximately 16,787,000 shares of the Company's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information contained in the definitive proxy statement for the Company's Annual Meeting of Stockholders to be held on May 19, 2022 is incorporated by reference into Part III hereof.

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PART I

In this report, unless the context requires otherwise, references to "we," "us," "our," "Neenah" or the "Company" are intended to mean Neenah, Inc., its consolidated subsidiaries and predecessor companies.

Item 1. Business

Overview

Neenah is a specialty materials company organized into two primary businesses: a performance-based technical products business and a premium fine paper and packaging business.

Our technical products business is a leading international producer of transportation, water and other filter media and durable, saturated, and coated substrates for a variety of end markets. We focus on categories where we believe we are, or can be, a market leader. These categories include filtration media for transportation, water and other end use applications, backings for specialty tapes and abrasives, release liners, digital transfer papers, performance labels and other custom engineered materials. Our products are typically used in high performance applications where our customers require specific standards and qualifications. Our dedicated technical products manufacturing facilities are located in Weidach and Bruckmühl, Germany, Eerbeek, Netherlands, Andoain, Spain, Bolton, England, Queretaro, Mexico, Munising, Michigan, and Pittsfield, Massachusetts.

Our fine paper and packaging business is a leading supplier of premium printing, packaging, and other high-end specialty papers predominantly in North America. Our products include some of the most recognized and preferred brands in North America, where we enjoy leading market positions in many of our product categories. Often these papers are characterized by distinctive finishing, colors, textures and coating. We sell our products primarily to authorized paper distributors, as well as through converters, major national retailers and specialty businesses. Our dedicated fine paper and packaging manufacturing facilities are located in Whiting and Neenah, Wisconsin, and Great Barrington, Massachusetts.

In addition, certain products of both businesses are manufactured in shared facilities located in Brownville and Lowville, New York, and Quakertown, Pennsylvania. For a description of our facilities, see Item 2, "Properties."

History of the Businesses

Neenah was incorporated in April 2004 in contemplation of the spin-off by Kimberly-Clark Corporation ("Kimberly-Clark") of its technical products and fine paper businesses in the United States and its Canadian pulp business (collectively, the "Pulp and Paper Business"). We had no material assets or activities until Kimberly-Clark's transfer to us of the Pulp and Paper business on November 30, 2004. On that date, Kimberly-Clark completed the distribution of all of the shares of our common stock to the stockholders of Kimberly-Clark.

Former Pulp Operations. Our former pulp operations consisted of mills located in Terrace Bay, Ontario and Pictou, Nova Scotia and approximately 975,000 acres of related woodlands. We disposed of these mills and woodlands in a series of transactions from 2006 through 2010.

Technical Products. The Munising, Michigan mill was purchased by Kimberly-Clark in 1952. Subsequent to the purchase, the mill was converted to produce durable, saturated and coated papers for sale and use in a variety of industrial applications for our technical products business.

In October 2006, we purchased the outstanding interests of FiberMark Services GmbH & Co. KG and the outstanding interests of FiberMark Beteiligungs GmbH (collectively "Neenah Germany"). At acquisition, the Neenah Germany assets consisted of three mills located in Weidach, Bruckmühl and Lahnstein, Germany. In October 2015, we sold the Lahnstein mill to the Kajo Neukirchen Group. The remaining mills produce a wide range of products, including transportation filter media, masking and other tapes, abrasive backings, and specialized printing and coating substrates.

In July 2014, we purchased all of the outstanding equity of Crane Technical Materials, Inc. from Crane & Co., Inc. The acquired business provides performance-oriented wet laid nonwoven media for water filtration end markets as well as environmental, energy and industrial uses. The business has two manufacturing facilities in Pittsfield, Massachusetts.

In November 2017, we purchased all of the outstanding equity of Neenah Coldenhove B.V. ("Neenah Coldenhove"). The acquired business is a specialty materials manufacturer with a leading position in digital transfer media and other technical products. The business has one manufacturing facility in Eerbeek, Netherlands.

In April 2021, we purchased all of the outstanding equity of Global Release Liners, S.L. (“Itasa”). Itasa, through its subsidiaries, is a leading global coater and converter of release liners used in hygiene, tapes, industrial, labels, composites, and various other end markets. See Note 4 of Notes to Consolidated Financial Statements, "Business Acquisition."

In June 2021, our Board of Directors approved the permanent closure of the manufacturing facility in Appleton, Wisconsin. As of September 30, 2021, the closure of the facility was substantially complete, and we initiated a process to market it for sale. See Note 13 of Notes to Consolidated Financial Statements, "Assets Held For Sale and Impairment and Asset Restructuring Costs."

Fine Paper and Packaging. The fine paper and packaging business was incorporated in 1885 as Neenah Paper Company, which initially operated a single paper mill in Neenah, Wisconsin. Kimberly-Clark acquired the mill in 1956. In 1981, Kimberly-Clark purchased an additional mill located in Whiting, Wisconsin and thereafter the capacity of the fine paper and packaging business has expanded by installing two paper machines at the Whiting mill and completing a major expansion of the Neenah facility with the installation of a paper machine, and constructing a finishing center, customer service center and an expanded distribution center.

In the first of the series of consolidating acquisitions, in March 2007, we acquired the assets and brands of Neenah Paper FR, LLC ("Fox River"). In January 2012, we purchased certain premium fine paper brands and other assets from Wausau Paper Mills, LLC, a subsidiary of Wausau Paper Corp. ("Wausau") and in January 2013, we purchased certain premium business paper brands from the Southworth Company ("Southworth").

In August 2017, we purchased a laminating asset in Great Barrington, Massachusetts to support continued growth in our premium packaging business.

Shared Facilities. In August 2015, we purchased all of the outstanding equity of ASP FiberMark, LLC ("FiberMark"). We added specialty coating and finishing capabilities with this acquisition, particularly in luxury packaging and technical products. The results of operations and assets related to FiberMark are reflected in each of our business segments. These mills are located in Brownville and Lowville, New York, Quakertown, Pennsylvania and Bolton, England.

Business Strategy

We have a long history, which is rooted in a proud heritage of manufacturing expertise. For over 100 years, we have grown and evolved our technology and methodologies along with the materials we use and the products we manufacture. Enabled by our culture and capabilities, we are focused on increasing our growth and leading the markets we serve. Our growth businesses include filtration, specialty coatings, engineered materials, and imaging and packaging products. We believe that achieving and maintaining a leadership position requires prompt and proactive responses to our customers' needs. We know that prudent capital and cost management coupled with relentless risk-mitigation allow us to manufacture growth, for our customers, end-users, shareholders and employees. We are committed to driving meaningful value for our stakeholders. We will continue to operate with financial discipline, maintain a prudent capital structure and deploy cash flows in ways that are designed to generate value, including direct cash returns to shareholders through a meaningful dividend.

Products

Technical Products. Our technical products business is a leading international producer of specialized media made from polymers and fibers that delivers high performance benefits to customers, such as filtration media for transportation, water and other filtration markets, and saturated and coated performance materials used for specialty tapes, abrasives, performance labels, digital transfer papers, and a variety of other end markets. Typically, our technical products are sold to other manufacturers as key components for their finished products. Many of our key market segments served, including filtration and specialty backings for tape and abrasives, are global in scope. JET-PRO®SofStretch™, KIMDURA®, PREVAIL™, NEENAH®, and GESSNER® are some of the brands of our technical products business.

The following is a description of certain key products and markets:

Filtration media for transportation, including induction air, fuel, oil, cabin air and other applications. Transportation filtration media are sold to filter manufacturers who in turn supply automotive and other companies with filters used as original equipment on new cars and trucks, as well as to the aftermarket. In 2020, we introduced high performance face mask media in Europe.

Filtration media for water and other industrial end markets. Primary applications include reverse osmosis, catalytic conversion, nanofiltration, ultrafiltration, pervaporation and vapor permeation, as well as other applications for specialty markets.

Specialty backings. Products in this market segment include (a) saturated and unsaturated crepe and flat paper tapes sold to manufacturers to produce finished pressure sensitive products for sale in automotive, transportation, manufacturing, building construction, and industrial general purpose applications, including sales in the consumer do-it-yourself retail channel and (b) coated lightweight abrasive paper used in the automotive, construction, metal and woodworking industries for both dry and wet sanding applications.

Release liners. These products include specialty coated media that aids in various adhesive applications in markets such as hygiene, tapes, industrial, labels, composites and various other end markets.

Digital transfer media. Products in this market are used to transfer digital images onto clothing, sportswear, and other materials. A fiber-based sheet undergoes various coatings to impart required performance. Digital transfer papers are also used to digitally print images from paper to clothing, hats, coffee mugs, and other surfaces.

Label and tag products. Products in this market are made from both saturated base label stock and synthetic base label stock, with coatings applied to allow for high quality digital printing. Label and tag stock is sold to pressure sensitive coaters, who in turn sell the coated label and tag stock to the label printing community.

Other latex saturated and coated papers for use by a wide variety of manufacturers. Premask paper is used as a protective over wrap for products during the manufacturing process and for applying signs, labeling and other finished products. Medical packaging paper is typically a polymer impregnated base sheet providing a breathable sterilization barrier that provides unique properties.

Security papers & other specialty products. Products in these markets are used in a variety of applications including passports, clean room papers, and furniture backers.

Fine Paper and Packaging. Our fine paper and packaging business manufactures and sells world-class branded premium writing, text, cover and specialty papers and envelopes used in high-end commercial printing services, corporate identity packages and advertising collateral. In addition, we produce premium packaging, high end beverage labels and other forms of packaging, as well as wide format applications used for display graphics and indoor/outdoor signage. Often these papers are characterized by finishing, colors, textures and distinctive coating.

The following is a description of certain key products and markets:

Commercial printing papers, including premium writing, text and cover papers and envelopes. Uses include advertising collateral, stationery, corporate identity packages and brochures, pocket folders, annual reports, advertising inserts, direct mail, business cards, scrapbooks, and a variety of other uses where colors, texture, coating, unique finishes, or heavier weight papers are desired. Our market leading brands in this category include CLASSIC®, CLASSIC CREST®, ENVIRONMENT®, ROYAL SUNDANCE®, NEENAH® Cotton, and TOUCHE® trademarks. The fine paper and packaging business also sells private watermarked paper and other specialty writing, text, and cover papers. Additionally, the publishing business produces luxury and durable covering materials for use in reference and text books, albums and photo books, religious texts, menus, and journals.

Bright papers. Products in this market are used in applications such as direct mail, advertising inserts, scrapbooks, and marketing collateral. Our brands in this category include ASTROBRIGHTS®.

Consumer products. Products such as bright papers, cardstock, stationary paper, envelopes, journals, and planners are sold to national retailers like Staples, Office Depot, Walmart and Amazon. Our brands in this category include ASTROBRIGHTS®, SOUTHWORTH®, and Neenah® Bright White.

Premium packaging. Products produced for this market are used for wine, spirits and beer labels, folding cartons, box wrap, bags, hang tags, and stored value cards servicing high-end retail, cosmetics, spirits, and electronics end-use

markets. Our market leading brands in these categories include NEENAH® Folding Board, ESTATE LABEL®, Neenah® Box Wrap, and IMAGEMAX® Paper Card. Additionally, the fine paper and packaging business provides leading solutions in the wide format arena, led by its Digicape® and CONVERD® brands.

Other. The fine paper and packaging business also produces and sells other specialty papers such as translucent papers, art papers, papers for optical scanning, and other specialized applications.

There were no significant government contracts to disclose in either segment.

Markets and Customers

Technical Products. The technical products business sells its products globally to other manufacturers who convert our product for sale into product categories generally used as base materials in the following applications: filtration, component backing materials for manufactured products such as tape and abrasives, and other specialized product uses such as graphics and identification. Customers typically convert and transform base papers and film into finished rolls and sheets by adding adhesives, coatings, and finishes. These transformed products are then sold to end-users.

Our products are generally used in markets that are directly affected by economic business cycles. Certain market segments such as digital transfer papers used in small/home office and consumer applications are relatively stable. Most products are performance-based and require extended qualification by customers; however, certain categories may also be subject to price competition and the substitution of lower cost substrates for some less demanding applications.

The technical products business relies on a team of direct sales representatives and customer service representatives to market and sell a large majority of its sales volume directly to customers and converters.

The technical products business has more than 1,000 customers worldwide. The distribution of sales in 2021 was 45 percent in Europe, 38 percent in North America, and 17 percent in Asia, Latin America, and Africa.

Fine Paper and Packaging. We believe our fine paper and packaging business is a leading supplier of premium printing, packaging, and other high-end specialty papers predominantly in North America. These products are used in high-end commercial printing services, corporate identity packages, and advertising collateral. Our premium packaging business includes products such as food and beverage labels and high-end packaging materials such as folding cartons and box wrap used for luxury retail goods. In addition, we produce wide format applications used for display graphics and indoor/outdoor signage. Bright papers are generally used by consumers for flyers, direct mail and packaging.

The fine paper and packaging business has over 550 customers worldwide. The fine paper and packaging business sells its products in a variety of channels including authorized paper distributors, converters, major national retailers, specialty business converters, and direct to end-users. Sales to distributors account for approximately 40 percent of net sales in the fine paper and packaging business. During 2021, approximately 10 percent of the net sales of our fine paper and packaging business were exported to markets outside North America.

Concentration. For the years ended December 31, 2021, 2020, and 2019, sales to the technical products business' largest customer represented approximately 9 percent, 9 percent, and 8 percent of consolidated net sales, respectively, and approximately 14 percent,16 percent, and 15 percent of net sales for the technical products segment, respectively. For the years ended December 31, 2021, 2020, and 2019 sales to the largest customer of fine paper and packaging business represented approximately 6 percent, 6 percent, and 8 percent of consolidated net sales, respectively, and approximately 17 percent for the year ended December 31, 2021 and approximately 18 percent of net sales of the fine paper and packaging business for each of the years ended December 31, 2020 and 2019. We practice limited sales distribution to improve our ability to control the marketing of our products. Although a complete loss of these customers would cause a temporary decline in the respective business' sales volume, we believe the decline could be partially offset by expanding sales to existing customers, and further offset over a several month period with the addition of new customers.

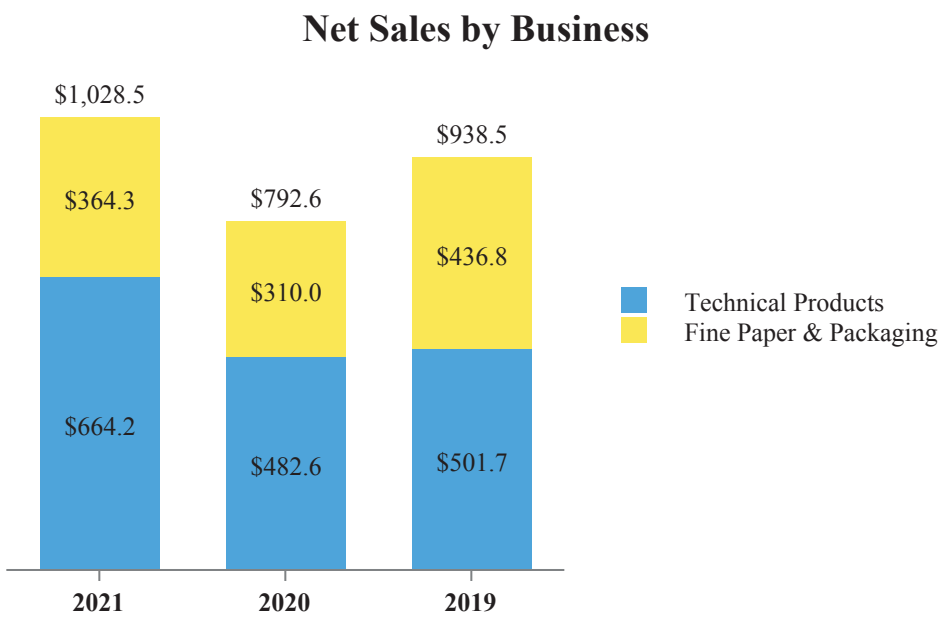
Competition

Technical Products. Our technical products business competes in global markets with a number of large multinational competitors, including Ahlstrom-Munksjö, Hollingsworth & Vose Company, Mondi plc, and Loparex LLC. It also competes in some, but not all, of these segments with smaller regional manufacturers, such as Monadnock Paper Mills, Inc. and Potsdam Specialty Paper, Inc. We believe the bases of competition in most of these categories are the ability to design and develop customized product features to meet customer performance specifications while maintaining quality, customer service, and a competitive price. We believe our research and development program gives us an advantage in customizing base papers and developing advanced filter media to meet customer needs.

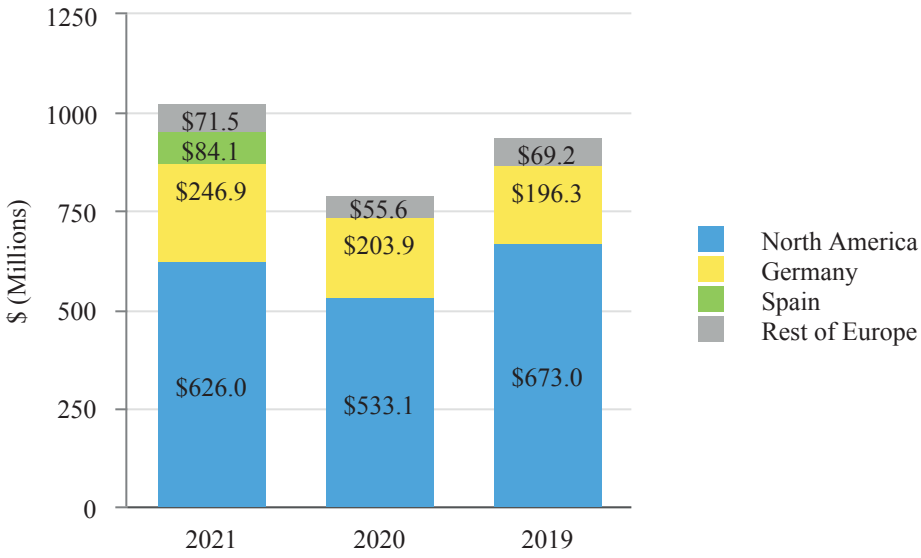
Fine Paper and Packaging. Our fine paper and packaging business is a leading supplier of premium printing and other high-end specialty papers in North America. Our fine paper and packaging business also competes in the premium segment of the uncoated free sheet market. The fine paper and packaging business competes primarily in North America with Mohawk and Monadnock Paper Mills. We believe the primary bases of competition for premium fine papers are product quality, customer service, product availability, promotional support, color and texture variety, and brand recognition. Price also can be a factor particularly for lower quality printing applications for which our papers may compete with opaque and offset papers. We have and will continue to invest in advertising and other programs aimed at graphic designers, printers and corporate end-users in order to maintain a high level of brand awareness and to communicate the advantages of using our products

Our premium packaging business is focused on high-end packaging needs in end market verticals like beauty products, spirits and retail. Like our premium fine paper business, the primary bases of competition are similarly product quality, customer service, product availability, color and texture variety, and brand recognition. Premium packaging is primarily a North American business, but we also sell to customers in Asia and other markets outside the U.S. We believe the premium packaging market to be highly fragmented, with multiple competitors, many of which produce premium packaging products as a small subset of larger packaging operations.

The following graphs present further information about net sales by business, geographic area and product line (dollars in millions):

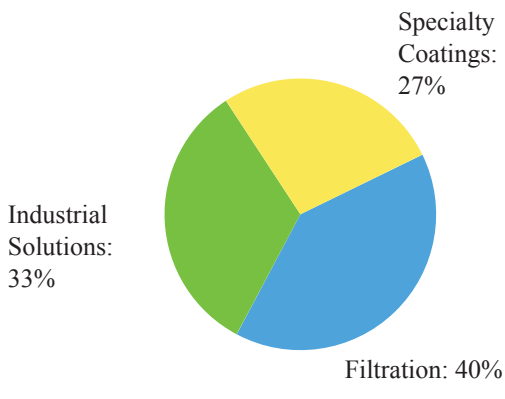


Net Sales From Geographic Region

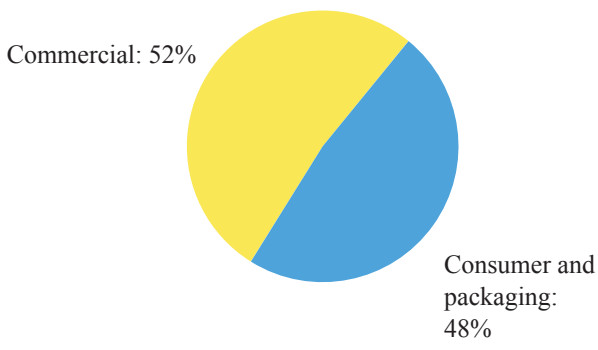


Net Sales by Product Line

Technical Products



Fine Paper & Packaging



Net sales are attributed to geographic areas based on the physical location of the Neenah selling entity. See Note 14 of Notes to Consolidated Financial Statements, "Business Segment and Geographic Information," for information with respect to net sales, operating income and long-lived assets by business segment and location.

Neenah Operating System

The Neenah Operating System (NOS) is an enterprise-wide framework of standardized principles, practices and tools that we introduced in 2020 with a goal to harmonize the way we work, with employee safety always preeminent, to drive increased customer value, continuous improvement and efficiency. The NOS is based on A3 Thinking and the "Plan, Do, Check, Act" (PDCA) process and focuses on using collaborative team effort to improve performance by systematically removing waste and reducing variation. Our NOS philosophy focuses on aligning our internal processes to enhance customer value while also driving continuous improvement, efficiency, growth and respect for our people, our clients and our communities. NOS provides a framework to facilitate enterprise-wide cultural change by helping to foster a more unified mindset where all are consistently empowered to problem-solve and make the changes needed to help support and accelerate our growth strategy. We began implementation in October 2020 at our Whiting, Wisconsin and Weidach, Germany facilities. In August 2021, we began replicating the process across all our mills. It is a multi-year program, with full implementation by 2025, with a goal to make continuous improvements daily, including initiatives to create a ZERO safety incident culture and drive business value through relentless cost optimization and customer service.

Seasonality

Technical Products. In general, sales and operating income for the technical products business historically have been relatively stronger in the first half of the year with reductions in the third quarter due to reduced customer converting schedules and in the fourth quarter due to a reduction in year-end inventory levels by our customers. The order flow for the technical products business is subject to seasonal peaks for several of its products, such as the larger volume grades of specialty tape, abrasives, premask, and label stock used primarily in the downstream finished goods manufacturing process. To assure timely shipments during these seasonal peaks, the technical products business provides certain customers with finished goods inventory on consignment. The technical products business periodically experiences periods where order entry levels surge, and order backlogs can increase substantially. Raw materials are purchased and manufacturing schedules are planned based on customer forecasts, current market conditions and individual orders for custom products.

Fine Paper and Packaging. The fine paper and packaging business has historically not experienced seasonality. Orders for stock products are typically shipped within two days, while custom orders are shipped within two to three weeks of receipt. Raw material purchases and manufacturing schedules are planned based on a combination of historical trends, customer forecasts and current market conditions.

The operating results for both of our businesses are influenced by the timing of our annual maintenance downs, which are generally scheduled in the third quarter.

Resources

Raw Materials

Technical Products. Softwood pulp, specialty pulps and fibers, and latex are the primary raw materials consumed by our technical products business that are purchased from various external suppliers. We believe that all of the raw materials for our technical products operations, except for certain specialty latex grades and specialty pulps, are readily available from several sources and that the loss of a single supplier would not cause a shutdown of our manufacturing operations.

Our technical products business acquires all of its specialized pulp requirements from two global suppliers and certain critical specialty latex grades from four suppliers. In general, these supply arrangements are covered by formal contracts, and represent multi-year business relationships that have historically been sufficient to meet our needs. We expect these relationships to continue to operate in a satisfactory manner in the future. In the event of an interruption of production at any one supplier, we believe that each of these suppliers individually would be able to satisfy our short-term requirements for specialized pulp or specialty latex. During 2021, we experienced some short-term disruptions in the global supply chain. In the event of a long-term disruption in our supply of specialized pulp or specialty latex, we believe we would be able to substitute other pulp grades or other latex grades that would allow us to meet required product performance characteristics and incur a limited disruption in our production. As a result, we do not believe that the substitution of such alternative pulp or latex grades would have a material effect on our operations.

Fine Paper and Packaging. Hardwood pulp is the primary raw material used to produce products of the fine paper and packaging business. Other significant raw material inputs in the production of fine paper and packaging products include

softwood pulp, recycled fiber, cotton fiber, dyes and fillers. The fine paper and packaging business purchases all of its raw materials externally. We believe that all of the raw materials for our fine paper and packaging operations are readily available from several sources and that the loss of a single supplier would not cause a shutdown of our manufacturing operations.

Working Capital

Technical Products. The technical products business maintains approximately 25 to 30 days of raw materials and supplies inventories to support its manufacturing operations and approximately 25 to 30 days of finished goods inventory to support customer orders for its products. Sales terms in the technical products business vary depending on the type of product sold and customer category. In general, sales are collected in approximately 50 to 60 days, with extended credit terms for certain international customers. Supplier invoices are paid within 30 to 40 days.

Fine Paper and Packaging. The fine paper and packaging business maintains approximately 15 to 20 days of raw material inventories to support its paper making operations and historically has maintained about 35 to 60 days of finished goods inventory to fill customer orders. Finished good inventory dropped to 35 from 45 days during the second half of 2021 as a result of challenges from the on-going supply chain shortages. Fine paper and packaging sales terms range between 20 and 30 days with discounts of up to 2 percent for customer payments, with discounts of 1 percent and 20-day terms used most often. Extended credit terms are offered to customers consistent with certain local markets. Supplier invoices are typically paid within 50 days.

Energy and Water

The equipment used to manufacture the products of our technical products and fine paper and packaging businesses uses significant amounts of energy, primarily electricity, natural gas, oil and (to a limited extent) coal. We have the ability to generate substantially all of our electrical energy at the Munising mill and approximately 30 percent of the electrical energy at our mill in Bruckmühl, Germany. We also purchase electrical energy from external sources, including electricity generated from renewable sources.

Availability of energy is not expected to be a problem in the foreseeable future, but the purchase price of such energy can and likely will fluctuate significantly based on changes in demand and other factors.

An adequate supply of water is needed to manufacture our products. We believe that there is an adequate supply of water for this purpose at each of our manufacturing locations.

Research and Development

Our technical products business maintains research and development laboratories in Feldkirchen-Westerham, Germany, Eerbeek, Netherlands, Munising, Michigan, Pittsfield, Massachusetts, Andoain, Spain and Queretaro, Mexico to support its strategy of developing new products and technologies, and to support growth in its existing product lines and other strategically important markets. We have continually invested in product research and development with spending of $8.3 million in 2021, $7.6 million in 2020, and $8.7 million in 2019.

Intellectual Property

We own more than 100 granted patents and have multiple pending patent applications in the United States, Canada, Europe and certain other countries covering digital transfer paper, abrasives, filtration and medical packaging, and other paper application and media processing. We also own more than 150 trademarks with registrations in approximately 80 countries. Our digital transfer patents have contributed to establishing the technical products business as a leading global supplier of digital transfer papers through our highly recognized JET-PRO®, JET-OPAQUE®, TECHNI-PRINT®, LASER-1-OPAQUE® and IMAGE CLIP® brands. We add even more depth and strength to our technical products portfolio with the well-recognized dye-sublimation JETCOL®, JET-X® and XTREME® brands, as well as our TEXCOL™ brand, which enables industrial transfer on natural substrates, supported by a pending patent. The KIMDURA® and MUNISING LP® trademarks have also made a significant contribution to the marketing of synthetic film and clean room papers for our

technical products business. In the Abrasives category, the DURAFLAT® trademark has helped Neenah expand its presence into more durable, heavier weight backers.

For more than 100 years, Neenah's fine paper and packaging business has built its market leading reputation on creating and manufacturing trademarked brands for premium writing, text, cover, digital, packaging, and specialty needs. The Neenah signature portfolio includes innovative, market leading brands such as CLASSIC® (including CLASSIC CREST®, CLASSIC® Linen, CLASSIC® Laid, CLASSIC COLUMNS®, CLASSIC® Stipple, CLASSIC® Techweave and CLASSIC® Cotton), ASTROBRIGHTS®, ENVIRONMENT®, ROYAL SUNDANCE®, UV/ULTRA®II, TOUCHE®, NEENAH® Cotton, SOUTHWORTH® and many more. Our fine paper and packaging business provides unique and sustainable packaging papers, as well as custom solutions for premium packaging needs. With brands that stand for quality and consistency, such as NEENAH® Folding Board, NEENAH® Box Wrap, ESTATE LABEL®, BELLA® Label and NEENAH IMAGEMAX® Paper Card, our fine paper and packaging business enables leading brands to deliver on their promise. The business accordingly maintains a well-rounded and respected portfolio of brands that position Neenah as an industry leader, setting standards for quality, consistency, and dependability.

Neenah also has significant trademarks recognized in both the publishing and packaging markets, including SKIVERTEX®, PELLAQ®, CORVON®, SENZO® and KIVAR®.

The GESSNER® trademark similarly plays an important role in the marketing of Neenah's filtration product lines for transportation filtration. To broaden our filtration footprint, we have added the NEENAHPURE® and NEENAHGUARD® product lines for HVAC/Air Purification and Face Mask media. The NEENAHSILENCE® trademark represents our well-established products for the acoustic market.

Environmental, Social and Governance ("ESG")

We are committed to ESG principles through the choices and investments we make in the safety and well-being of our employees, the environmental efficiency of our products and operations, and in our support for the communities in which we operate. Our Board of Directors is responsible for overseeing that appropriate procedures and controls are in place to ensure management's activities meet the Company's stated Sustainability standards. Responsibilities are communicated through senior management and ensure that our sustainability goals and policies are integrated within our business strategy.

The Board's Nominating and Corporate Governance Committee oversees matters of corporate governance and is charged with identifying and investigating emerging governance issues and trends that may affect the Company. The Nominating and Corporate Governance Committee is also responsible for reviewing and recommending to the Board any appropriate changes to the Company's governance policies which are consistent with best practices and in the best interests of the Company. Furthermore, we have a cross-functional sustainability leadership team that identifies material issues, provides input on strategic decisions, gathers information, and evaluates performance against our chosen metrics. The team also evaluates the applicability of international frameworks and standards, with a focus on continuous improvement and communications, helping the Company to see, understand, and respond to not only what is current, but also what is on the horizon.

Wherever we operate, we expect certain universal minimum standards of business conduct and work to ensure our purchasing practices and standards place a priority on promoting safety, protecting the environment, and valuing human rights. See also "Human Capital" and "Environmental, Health and Safety Matters" below.

Additional information regarding our ESG programs and initiatives is available in the Sustainability section of our website at www.neenah.com/sustainability. Information on our website, including our Corporate Sustainability Report or sections thereof, is not incorporated by reference into this Annual Report.

Human Capital

Our vision is to be a company known for manufacturing growth, for our customers, end-users, shareholders, and employees. Our talent strategy focuses on accelerating growth for our global employees by fostering a culture of possibility and cultivating the right people in the right roles with the right skills at the right time. We're doing this by continually evolving how we attract, engage, grow and reward our people.

As of December 31, 2021, we had approximately 2,493 regular full-time employees, of whom 952 hourly and 523 salaried employees were located in North America, 648 hourly and 370 salaried employees were located in Europe.

All of the Company's U.S. hourly union employees (690 at December 31, 2021) are represented by the United Steelworkers Union (the "USW"). Certain employees of Neenah Germany are eligible to be represented by the Mining, Chemicals and Energy Trade Union, Industriegewerkschaft Bergbau, Chemie and Energie (the "IG BCE"). The IG BCE and a national trade association representing all employers in the industry signed a collective bargaining agreement covering union employees of Neenah Germany that expires in September 2022. Under German law union membership is voluntary and does not need to be disclosed to the Company. As a result, the number of employees covered by a collective bargaining agreement cannot be determined. In Spain and Mexico, most of our employees are eligible to be represented by the local workers' unions: Confederacion Sindical de Comisiones Obreras ("CCOO") and Langile Abertzaalen Batzordeak ("LAB") in Spain; and Federacion de Trabajadores del Estado de Queretaro ("CTM") in Mexico. Under local laws, union membership is voluntary and does not need to be disclosed to the Company. In Netherlands, most of our employees are eligible to be represented by the Christelijke Nationale Vakbond ("CNV") and the Federatie Nederlandse Vakvereniging ("FNV"). Under Netherlands law, union membership is voluntary and does not need to be disclosed to the Company.

As of December 31, 2021, 873 employees are covered under collective bargaining agreements that expire in the next twelve months, not including the employees covered by the collective bargaining arrangements with the CNV and FNV.

We believe we have satisfactory relations with our employees covered by collective bargaining agreements and do not expect the negotiation of new collective bargaining agreements to have a material effect on our results of operations or cash flows. See Note 12 of Notes to Consolidated Financial Statements, "Commitments, Contingencies, and Legal Matters — Employees and Labor Relations."

Safety

First among our Core Values is “Safety Above All: We place the health and well-being of each other above everything else.” We strive to reflect this Core Value and integrate it in everything we do and have launched our NOS to help us deliver meaningful value, and most importantly, robust safety systems for our employees. All facilities have safety management systems to continuously review and improve employee safety and regulatory compliance. This includes routine workplace safety audits, employee participation in safety meetings and training, and active safety committees. Additionally, employees are encouraged to identify and report workplace conditions that could lead to an injury.

COVID-19

Our commitment to safety remained evident throughout 2021, as we further developed our protocols and action plans in response to the COVID-19 pandemic (“COVID-19” or the "pandemic") to help support our employees around the globe. Some of the key actions taken included the following:

- Providing all hourly employees with additional paid sick days until the vaccine was made available;
- Encouraging and providing employees with the flexibility to work from home;
- Adjusting attendance and sick leave policies to encourage those who are symptomatic, sick or who have been exposed to others with COVID-19 or COVID-19 symptoms to stay home;
- Conducting regular meetings to review the impacts of the COVID-19 pandemic, including ongoing updates to our health and safety protocols and procedures to address actual and suspected COVID-19 cases and potential exposures;
- Establishing social distancing procedures for employees who need to be onsite;
- Providing additional cleaning supplies and personal protective equipment;
- Requiring employees to wear masks in all locations deemed necessary in accordance with local laws; and
- Limiting all non-essential travel for all employees.

All of our facilities manufacture products deemed essential to the critical infrastructure. As a result, in 2021 all of our production sites continued to operate during the COVID-19 pandemic.

Diversity, Equity and Inclusion

We are committed to building and developing a diverse workforce and are proud to be an Equal Opportunity Employer. We encourage applications from veterans, minorities, women, and individuals with disabilities. We take pride in our policies that provide equal employment opportunities to all qualified applicants, without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, age, protected veteran or disabled status, or genetic information.

Neenah has also established Employee Resource Groups ("ERGs") that connect employees through shared identity or affinity. These groups are designed to provide networking opportunities for employees and create direct lines of communication between ERGs and leadership to address concerns, mitigate risks, and solve problems.

Training and Development

We recently launched a refreshed, consistent and simplified platform for talent management called grow@Neenah that helps us set objectives, create a culture of ongoing feedback, differentiate and reward individual performance, and create global learning and development opportunities.

We also believe in recognizing our progress and celebrating success throughout our journey. We look for opportunities to identify our company values in action, reinforcing the behaviors we want people to display. We are also migrating to an incentive model that allows for more meaningful reward opportunities based on individual contributions and company performance.

Employee Benefits and Well-Being Programs

We offer comprehensive benefits and well-being programs that support our employees' physical, financial, and emotional health and wellness. Our tools and resources include preventative services, fitness activities, counseling and educational resources, financial support as well as comprehensive medical, dental and vision coverage.

Environmental, Health and Safety Matters

Our operations are subject to federal, state, and local laws, regulations, and ordinances relating to various environmental, health and safety matters. We believe our operations are in compliance with, or we are taking actions designed to ensure compliance with, these laws, regulations and ordinances. However, the nature of our operations exposes us to the risk of claims concerning non-compliance with environmental, health and safety laws or standards, and there can be no assurance that material costs or liabilities will not be incurred in connection with those claims. Except for certain orders issued by environmental, health and safety regulatory agencies with which we believe we are in compliance and which we believe are immaterial to our financial condition, results of operations and liquidity, we are not currently named as a party in any judicial or administrative proceeding relating to environmental, health and safety matters.

Greenhouse gas ("GHG") emissions have increasingly become the subject of political and regulatory focus. Concern over potential climate change, including global warming, has led to legislative and regulatory initiatives directed at limiting GHG emissions. In addition to certain federal proposals in the United States to regulate GHG emissions, Germany, the United Kingdom (“U.K.”) and all the states in which we operate are currently considering GHG legislation or regulations, either individually and/or as part of regional initiatives. While not all such proposals will become law, it is likely that additional climate change related mandates will be forthcoming, and it is expected that they may adversely impact our costs by increasing energy costs and raw material prices, requiring operational or equipment modifications to reduce emissions and creating costs to comply with regulations or to mitigate the financial consequences of such compliance.

As a company, we work to minimize the amount of fresh water we use at our manufacturing facilities and to recycle water within a facility as much as practically possible, all while maintaining stringent quality requirements. Due to the high quality achieved through efficient water treatment systems, our mills have the unique opportunity of being able to recycle and reuse fully-treated effluent back into our process to minimize fresh water draws. Furthermore, our processes are designed to return the water used in manufacturing at a quality level that does not negatively impact the receiving environment.

While we have incurred in the past several years, and will continue to incur, capital and operating expenditures in order to comply with environmental, health and safety laws, regulations and ordinances, we believe that our future cost of compliance with environmental, health and safety laws, regulations and ordinances, and our exposure to liability for environmental, health and safety claims will not have a material effect on our financial condition, results of operations or liquidity. However, future events, such as changes in existing laws and regulations, new legislation to limit GHG emissions or contamination of sites owned, operated or used for waste disposal by us (including currently unknown contamination and contamination caused by prior owners and operators of such sites or other waste generators) may give rise to additional costs which could have a material effect on our financial condition, results of operations or liquidity.

Our anticipated capital expenditures for environmental projects are not expected to have a material effect on our financial condition, results of operations or liquidity.

AVAILABLE INFORMATION

We are subject to the reporting requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934. As such, we file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission ("SEC"). Our SEC filings are available to the public on the SEC's web site at www.sec.gov. You may also read and copy any document we file at the SEC's Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. Our common stock is traded on the New York Stock Exchange under the symbol "NP". You may inspect the reports, proxy statements and other information concerning us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

Our web site is www.neenah.com. Information on our web site is not incorporated by reference in this document. Our reports on Form 10-K, Form 10-Q and Form 8-K, as well as amendments to those reports, are and will be available free of charge on our web site as soon as reasonably practicable after we file or furnish such reports with the SEC. In addition, you may request a copy of any of these reports (excluding exhibits) at no cost upon written request to us at: Investor Relations, Neenah, Inc., 3460 Preston Ridge Road, Suite 600, Alpharetta, Georgia 30005.

Item 1A. Risk Factors

You should carefully consider each of the following risks and all of the other information contained in this Annual Report on Form 10-K. Some of the risks described below relate principally to our business and the industry in which we operate, while others relate principally to our indebtedness. The remaining risks relate principally to the securities markets generally and ownership of our common stock.

Our business, financial condition, results of operations or liquidity could be materially affected by any of these risks, and, as a result, the trading price of our common stock could decline. The risks described below are not the only ones we face. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations.

Risks Related to Our Business and Industry

Our financial condition and results of operations have been and are expected to continue to be adversely affected by the coronavirus pandemic.

The novel coronavirus, COVID-19, pandemic and measures taken to contain or mitigate the pandemic have caused, and are continuing to cause, business slowdown or shutdown in affected areas and significant disruption in the financial markets both globally and in the U.S., which has led to a decline in discretionary spending by consumers, which in turn has adversely impacted our business, sales, financial condition and results of operations since the second quarter of 2020. We cannot predict the degree to, or the time period over, which our sales and operations will continue to be affected by this pandemic and preventive measures.

COVID-19 and measures to prevent its spread, including imposition of quarantines, governmental vaccination mandates, and prolonged closures of manufacturing facilities and retail stores, may impact our business in a number of ways. These impacts could adversely affect our ability to operate our business, including potential disruptions to our supply chain,

increased administrative costs, the availability of raw materials and our ability to recruit and maintain the skilled workforce necessary to operate our businesses.

COVID-19 and its variants may continue to have a material adverse impact on our business operations and our financial results, including our net sales, earnings, and cash flows in the upcoming quarters. We expect the ultimate significance of the impact of these disruptions, including the extent of their adverse impact on our financial results, will be determined by the length of time that such disruptions continue, which will, in turn, depend on the duration, spread and intensity of COVID-19 and the impact of governmental regulations or guidelines in response to the pandemic. Although all of our global manufacturing facilities are currently operational and have been designated by governmental authorities as an "essential business," in the future they may be required to curtail or cease production in response to the spread of COVID-19, either in response to changing governmental orders, labor availability or supply chain issues. In addition, our customers, distribution partners, service providers or suppliers may experience operational challenges, financial distress, file for bankruptcy protection, go out of business or suffer disruptions in their business due to COVID-19, which would have a material negative impact on our business.

The spread of COVID-19 and the requirements to take action to help limit the spread of the illness, have impacted our ability to carry out our business as usual and materially adversely impacted global economic conditions, our business, results of operations, cash flows and financial condition. Even in those regions where we have experienced business recovery, should those regions fail to fully contain COVID-19 or suffer a COVID-19 relapse, those markets may not recover as quickly or at all, which could have a material adverse effect on our business and results of operations.

To the extent COVID-19 adversely affects our business, results of operations and financial condition, it may also have the effect of heightening many of the other risks described in this section.

Our business will suffer if we are unable to effectively respond to decreased demand for some of our products due to conditions in the global economy, secular pressures in some markets or consumer preferences.

We have experienced and may experience in the future decreased demand for some of our products due to slowing or negative global economic growth, uncertainty in credit markets, declining consumer and business confidence or preferences, fluctuating commodity prices, increased unemployment, and other challenges affecting the global economy. Parts of our fine paper and packaging business are subject to electronic substitution and, for fine paper products in particular, are in secular decline. Our efforts to offset these declines with new fine paper, consumer and packaging products and growth in existing fine paper and office products categories are not certain to fully offset the market declines, and an evaluation of the scope of our manufacturing footprint may be required in the future. In addition, our customers may experience deterioration of their businesses, cash flow shortages, and difficulty obtaining financing. If we are unable to implement business strategies to effectively respond to decreased demand for our products, our financial position, cash flows, and results of operations would be adversely affected.

Changes in international geopolitical and macroeconomic conditions generally, and particularly in Germany, could adversely affect our business and results of operations. Fluctuations in the prices of and the demand for products could result in reduced profits and sales.

Our operating results and business prospects could be adversely affected by risks related to the countries outside the United States in which we have manufacturing facilities or sell our products, including the Eurozone countries (particularly Germany where we have significant operations), the U.K and Mexico. Downturns in economic activity, adverse tax consequences, fluctuations in the value of local currency versus the U.S. dollar, or any change in social, political, macroeconomic or labor conditions in any of these countries or regions could negatively affect our financial results.

Historically, economic and market shifts, and fluctuations in capacity have created cyclical changes in prices, sales volume and gross profits for products in the paper, packaging and related industries. The length and magnitude of industry cycles have varied over time and by product, but generally reflect changes in macroeconomic conditions and levels of industry capacity. The overall levels of demand for many of our products reflect fluctuations in levels of end-user demand, which depend in large part on general macroeconomic conditions in North America and regional economic conditions in our markets (including Europe, Asia, and Central and South America), as well as foreign currency exchange rates. The foregoing factors could materially and adversely impact our sales, cash flows, profitability and results of operations.

Additionally, changes to the United States' participation in, withdrawal out of, renegotiation of certain international trade agreements or other major trade related issues including the non-renewal of expiring favorable tariffs granted to developing countries, tariff quotas, and retaliatory tariffs (including, but not limited to, the current United States tariffs on China and China's retaliatory tariffs on certain products from the United States), trade sanctions, new or onerous trade restrictions, embargoes and other stringent government controls could have a material adverse effect on our business, results of operations and financial condition.

The availability of and prices for raw materials, energy and transportation services will significantly impact our business.

We purchase a substantial portion of the raw materials, energy, transportation and distribution services (primarily over-the-road freight) and other inputs necessary to produce our products on the open market, and, as a result, the price and other terms of those purchases are subject to change based on factors such as worldwide supply and demand, supply chain disruptions and government regulation. We do not have significant influence over our raw material, energy or transportation prices and our ability to pass increases in those costs along to our customers through selling price increases may be challenged. We have experienced and may experience in the future significant raw material, energy, transportation and other input cost increases and we may not be able to fully recover these incremental costs through selling price increases or our pricing actions may lag behind due to contractual quarterly adjusters or annual renewals. In addition, we may not be able to recoup other cost increases we may experience, such as those resulting from inflation or from increases in wages or salaries, health care, pension or other employee benefits costs, insurance costs and other costs.

Our technical products business acquires certain specialized pulp from two global suppliers and certain critical specialty chemicals from a limited number of suppliers. In general, these supply arrangements are covered by formal contracts and represent multi-year business relationships that have historically been sufficient to meet our needs. We expect these relationships to continue to operate in a satisfactory manner in the future. In the event of an interruption of production at any one supplier, we believe that each of these suppliers individually would be able to satisfy our short-term requirements for specialized pulp or specialty chemicals. In addition, short-term disruptions in the global supply chain for our raw materials, as experienced in 2021, could negatively impact our ability to produce certain products which could adversely impact the mix and volume of products we can provide to our customers. In the event of a long-term disruption in our supply of specialized pulp or specialty chemicals, we believe we would be able to substitute other pulp grades or other specialty chemicals that would allow us to meet required product performance characteristics and incur only a limited disruption in our production.

Our fine paper and packaging business acquires a substantial majority of the cotton fiber used in the production of certain branded bond paper products pursuant to annual agreements with two North American producers. The balance of our cotton fiber requirements are acquired through spot market purchases from a variety of other producers. We believe that a partial or total disruption in the production of cotton fibers at our two primary suppliers would increase our reliance on spot market purchases with a likely corresponding increase in cost.

Our operating results are likely to fluctuate.

Our operating results are subject to substantial quarterly and annual fluctuations due to a number of factors, many of which are beyond our control. Operating results could be adversely affected by general economic conditions causing a downturn in the market for paper products. Additional factors that could affect our results include, among others, changes in the market price of pulp, other raw materials and distribution/transportation services, the effects of competitive pricing pressures, production capacity levels and manufacturing yields, availability and cost of products from our suppliers, the gain or loss of significant customers, our ability to develop, introduce and market new products and technologies on a timely basis, changes in the mix of products produced and sold, seasonal customer demand, the relative strength of the Euro versus the U.S. dollar, increasing interest rates and environmental costs. The timing and effect of the foregoing factors are difficult to predict, and these or other factors could materially adversely affect our quarterly or annual operating results.

We face many competitors, several of which have greater financial and other resources.

We face competition in each of our business segments from companies that produce the same type of products that we produce or that produce lower priced alternative products that customers may use instead of our products. Some of our competitors have greater financial, sales and marketing, or research and development resources than we do. Greater financial resources and product development capabilities may also allow our competitors to respond more quickly to new opportunities or changes in customer requirements.

Our businesses are significantly dependent on sales to their largest customers.

Sales to the largest customer of the fine paper and packaging business represented approximately 17 percent of segment sales in 2021. Sales to the technical products business's largest customer represented approximately 14 percent of sales for the segment in 2021. A significant loss of business from any of our major fine paper and packaging or technical products customers could have a material adverse effect on our financial condition, results of operations and liquidity. We are also subject to credit risk associated with our customer concentration. If one or more of our largest fine paper and packaging or technical products customers were to become bankrupt, insolvent or otherwise were unable to pay for services provided, we may incur significant write-offs of accounts receivable.

We cannot be certain that our tax planning strategies will be effective and that our research and development tax credits and net operating losses will continue to be available.

As of December 31, 2021, we had $30.8 million of U.S. federal and $7.7 million of U.S. state research and development tax credits ("R&D Credits") which, if not used, will expire between 2029 and 2041 for the U.S. federal R&D Credits and between 2022 and 2036 for the state R&D Credits. Among the risks which could affect our ability to utilize our R&D Credits and other deferred tax assets include changes in global tax legislation which could adversely affect income tax rates and the timing and availability of deductions and tax credits in our consolidated income statement and liquidity. The availability of state net operating losses (NOLs) and federal or state tax credits to offset taxable income and income tax, respectively, could also be substantially reduced if we were to undergo an "ownership change" as defined within certain federal and state tax codes.

We are continuously undergoing examination by the Internal Revenue Service (the "IRS") as well as taxing authorities in various state and foreign jurisdictions in which we operate. The IRS and other taxing authorities routinely challenge certain deductions and credits reported on our income tax returns. The IRS is currently conducting an audit of tax year 2018. We are also currently under audit in Germany for tax years 2015-17.

In accordance with Accounting Standards Codification ("ASC") Topic 740, *Income Taxes* ("ASC Topic 740"), as of December 31, 2021, we have recorded a liability of $8.5 million for uncertain tax positions where we believe it is "more likely than not" that the tax benefit reported on our income tax returns will not be realized. There can be no assurance, however, that the actual amount of unrealized deductions will not exceed the amounts we have recognized for uncertain tax positions.

We have significant obligations for pension and other post-employment benefits.

We have significant obligations for pension and other post-employment benefits which could require future funding beyond that which we have funded in the past or which we currently anticipate. At December 31, 2021, our projected pension benefit obligations were $434.7 million and exceeded the fair value of pension plan assets by $39.4 million. In addition, during 2021 we paid pension benefits for unfunded qualified, insurance backed and supplemental retirement plans of $5.0 million. At December 31, 2021, our projected other post-employment benefit obligations were $34.7 million. No assets have been set aside to satisfy our other post-employment benefit obligations. In 2021, we made payments for post-employment benefits other than pensions of $5.7 million. A material increase in funding requirements or benefit payments could have a material effect on our cash flows.

Labor interruptions or shortages would adversely affect our business.

Except for our Pittsfield and Great Barrington, Massachusetts, Brownville, New York and Quakertown, Pennsylvania manufacturing facilities which are non-union, substantially all of our hourly employees are unionized. In addition, some key customers and suppliers are also unionized. Availability of labor and disruptions (including strikes, lockouts, or other work stoppages or slowdowns) involving our employees, and/or those of our suppliers and customers, could have a material impact on us. In addition, the lack of availability of skilled labor, particularly in North America, at our facilities and/or those of our suppliers and customers, could have a material impact on us.

If we are unable to continue to implement our business strategies, our financial condition and operating results could be materially affected.

Our future operating results will depend, in part, on the extent to which we can successfully implement our business strategies, including expansion and growth of our technical products (filtration and performance materials) and packaging businesses in a cost effective manner. Our strategies are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control. If we are unable to successfully implement our business strategies, our business, financial condition and operating results could be materially adversely affected.

We may not successfully integrate acquisitions and may be unable to achieve anticipated cost savings or other synergies.

The integration of the operations of acquired companies involves a number of risks and presents financial, managerial, legal and operational challenges. We may have difficulty, and may incur unanticipated expenses related to, integrating information systems, financial reporting activities, and integrating and retaining management and personnel from acquired companies. We may not be able to achieve anticipated cost savings or commercial or growth synergies, for a number of reasons, including contractual constraints and obligations or an inability to take advantage of expected commercial opportunities, increased operating efficiencies or commercial expansion of key technologies. Failure to successfully integrate acquired companies may have an adverse effect on our business, financial condition, results of operations, and cash flows.

We may not be able to adequately protect our intellectual property and proprietary rights, which could harm our future success and competitive position.

Our future success and competitive position also depends, in part, upon our ability to obtain and maintain protection for our intellectual property and proprietary rights. Failure to protect our existing intellectual property rights may result in the loss of valuable technologies or may require us to license other companies' intellectual property rights. It is possible that any of our patents may be invalidated, rendered unenforceable, circumvented, challenged or licensed to others or any of our pending or future patent applications may not be issued within the scope of the claims sought by us, if at all. Further, others may develop technologies that are similar or superior to our technologies, duplicate our technologies or design around our patents, and steps taken by us to protect our technologies may not prevent misappropriation of such technologies.

Future dividends on our common stock may be restricted or eliminated.

Dividends are declared at the discretion of our Board of Directors, and future dividends will depend on our future earnings, cash flow, financial requirements and other factors. Our ability to pay cash dividends on our common stock is limited under the terms of our credit agreements. Under the most restrictive terms of our credit agreements, our ability to pay cash dividends on our common stock is limited, as described under "Risks Relating to Our Indebtedness." There can be no assurance that we will continue to pay dividends in the future.

We may be required to record a charge to our earnings if our goodwill or intangible assets become impaired.

As of December 31, 2021, we had goodwill of $198.6 million and net other intangible assets of $154.6 million. Goodwill and other intangible assets are recorded at fair value on the date of acquisition. In accordance with applicable accounting guidance, we review goodwill and other indefinite-lived intangible assets at least annually for impairment, and long-lived intangible assets when facts and circumstances warrant an impairment review. Impairment may result from, among other things, deterioration in performance, adverse market conditions, acceleration of the secular decline in fine paper and office products or a lack of success in our efforts to offset these declines with new fine paper and packaging products, which could lead to a reduction in the size of our manufacturing footprint, adverse changes in applicable laws or regulations, and a variety of other factors. The amount of any non-cash impairment would be recognized immediately through our consolidated statement of operations. Any future goodwill or other intangible asset impairment could have a material adverse effect on our results of operations and financial position.

If we have a catastrophic loss or unforeseen or recurring operational problems at any of our facilities, we could suffer significant lost production and/or cost increases.

Our technical products and fine paper and packaging businesses may suffer catastrophic loss due to fire, flood, terrorism, mechanical failure, or other natural or man-made events. If any of our facilities were to experience a catastrophic loss, it could disrupt our operations, delay production, delay or reduce shipments, reduce revenue, and result in significant expenses to repair or replace the facility. These expenses and losses may not be adequately covered by property or business interruption insurance. Even if covered by insurance, our inability to deliver our products to customers, even on a short-term basis, may cause us to lose market share on a more permanent basis.

Fluctuations in currency exchange rates could adversely affect our results.

Our technical products business in Germany, Spain and the Netherlands incurs most of its costs and sells most of its production in Europe and, therefore, its operations and cash flows are not materially affected by changes in the exchange rate of the Euro relative to the U.S. dollar. Changes in the Euro exchange rate relative to the U.S. dollar will, however, have an effect on our consolidated balance sheet and reported results of operations. See Item 7A, "Quantitative and Qualitative Disclosures About Market Risk — Foreign Currency Risk."

In addition, because we transact business in other foreign countries, some of our revenues and expenses are denominated in a currency other than the local currency of our operations. As a result, changes in exchange rates between the currency in which the transaction is denominated and the local currency of our operations into which the transaction is being recorded can impact the amount of local currency recorded for such transaction. This can result in more or less local currency revenues or costs related to such transaction, and thus have an effect on our reported sales and income before income taxes.

Our activities are subject to extensive government regulation, which could increase our costs, cause us to incur liabilities and adversely affect the manufacturing and marketing of our products.

Our operations are subject to federal, state and local laws, regulations and ordinances in the United States, the U.K., Germany, Spain, the Netherlands, Mexico and elsewhere in the world relating to various environmental, health and safety matters. The nature of our operations requires that we invest capital and incur operating costs to comply with those laws, regulations and ordinances and exposes us to the risk of claims concerning non-compliance with environmental, health and safety laws or standards. There is no assurance that significant additional expenditures will not be required to maintain compliance with, or satisfy potential claims arising from, such laws, regulations and ordinances. Future events, such as changes in existing laws and regulations or contamination of sites owned, operated or used for waste disposal by us (including currently unknown contamination and contamination caused by prior owners and operators of such sites or other waste generators) may give rise to additional costs that could require significantly higher capital expenditures and operating costs, which would reduce the funds otherwise available for operations, capital expenditures, future business opportunities or other purposes.

Additionally, in the U.S., portions of the Moving Ahead for Progress in the 21st Century Act (“MAP-21”, primarily, the electronic logging device (ELD) rules under MAP-21) have reduced levels of capacity in the over-the-road freight sector which continue to have an adverse impact on our business. The current operating environment in the over-the-road freight

and transportation sector resulting from fluctuating fuel costs, industry-specific regulations (such as hours-of-service and ELD rules), a shortage of qualified drivers, and other economic factors are causing a tightening of capacity and an increase in prices charged to shippers, such as us, in the over-the-road transportation and distribution sector generally, and in our carrier networks specifically, which continue to have an adverse impact on our business.

We are subject to risks associated with possible climate change legislation and various cost and manufacturing issues associated with such legislation.

GHG emissions have increasingly become the subject of political and regulatory focus. Concern over potential climate change, including global warming, has led to legislative and regulatory initiatives directed at limiting GHG emissions. Legislation to regulate GHG emissions is currently being considered not only in the U.S. at the federal and state level, but globally in each country where we operate. While not all are likely to become law, additional climate change related mandates will likely be forthcoming, and it is expected that they may adversely impact our costs by increasing energy costs and raw material prices, requiring operational or equipment modifications to reduce emissions and creating costs to comply with regulations or to mitigate the financial consequences of compliance.

Any failure to comply with applicable environmental laws, regulations or permit requirements may result in civil or criminal fines or penalties or enforcement actions. These may include regulatory or judicial orders enjoining or curtailing operations or requiring corrective measures, installing pollution control equipment or remedial actions, any of which could involve significant expenditures. Future development of such laws and regulations may require capital expenditures to ensure compliance. We may discover currently unknown environmental problems or conditions in relation to our past or present operations, or we may face unforeseen environmental liabilities in the future. These conditions and liabilities may require site remediation or other costs to maintain compliance or correct violations of environmental laws and regulations; or result in governmental or private claims for damage to person, property or the environment, any of which could have a material adverse effect on our financial condition and results of operations.

Risks Relating to Our Indebtedness

We may not be able to fund our future capital requirements internally or obtain third-party financing.

We may be required or choose to obtain additional debt or equity financing to meet our future working capital requirements, as well as to fund capital expenditures and acquisitions. To the extent we must obtain financing from external sources to fund our capital requirements, we cannot guarantee financing will be available on favorable terms, if at all. For example, during periods of volatile credit markets, there is a risk that lenders, even those with strong balance sheets and sound lending practices, could fail or refuse to honor their credit commitments and obligations, including, but not limited to, extending credit up to the maximum permitted by a credit facility and otherwise accessing capital and/or honoring loan commitments. If our lenders are unable to fund borrowings under their loan commitments or we are unable to borrow, it could be difficult to replace such loan commitments on similar terms or at all. If adequate funds are not available on acceptable terms, we may be unable to meet our future working capital requirements or fund capital expenditures and acquisitions, any of which could negatively affect our business. As of December 31, 2021, we have required debt payments of $6.4 million during the year ending December 31, 2022.

We may not be able to generate sufficient cash flow to meet our debt obligations.

Our ability to make scheduled payments or to refinance our debt and other liabilities will depend on our financial and operating performance, which, in turn, is subject to prevailing economic conditions and to certain financial, business and other factors beyond our control. If our cash flow and capital resources are insufficient to fund our debt obligations and other liabilities, we could face substantial liquidity problems and may be forced to reduce or delay scheduled expansions and capital expenditures, sell material assets or operations, obtain additional capital or restructure our debt. There can be no assurance that our operating performance, cash flow and capital resources will be sufficient to repay our debt in the future. In the event that we are required to dispose of material assets or operations or restructure our debt to meet our debt and other obligations, there can be no assurances as to the terms or timing of any such transaction.

If we cannot make scheduled payments on our debt, we will be in default and, as a result:

- our debt holders could declare all outstanding principal and interest to be due and payable;
- our senior secured lenders could terminate their commitments and commence foreclosure proceedings against our assets; and
- we could be forced into bankruptcy or liquidation.

If our operating performance declines in the future or we breach our covenants under our credit agreements, we may need to obtain waivers from the lenders to avoid being in default. We may not be able to obtain these waivers. If this occurs, we would be in default under our credit agreements.

We have significant indebtedness which subjects us to restrictive covenants relating to the operation of our business.

As of December 31, 2021, we had $447.8 million of debt under our Term Loan B, $0.9 million of revolving credit borrowings and $1.9 million of project financing outstanding. In addition, availability under our Global Revolving Credit Facility was approximately $146.1 million. Our leverage could have important consequences. For example, it could:

- make it difficult for us to satisfy our financial obligations, including making scheduled principal and interest payments on the Term Loan B and our other indebtedness;
- place us at a disadvantage to our competitors;
- require us to dedicate a substantial portion of our cash flow from operations to service payments on our indebtedness, thereby reducing funds available for other purposes;
- increase our vulnerability to a downturn in general economic conditions or the industry in which we operate;
- limit our ability to obtain additional financing for working capital, capital expenditures, acquisitions and general corporate and other purposes; and
- limit our ability to plan for and react to changes in our business and the industry in which we operate.

The terms of our indebtedness contain covenants restricting our ability to, among other things, pay dividends, incur certain additional debt, incur or create certain liens, make specified restricted payments, authorize or issue capital stock, enter into transactions with our affiliates, consolidate or merge with or acquire another business, sell certain of our assets or liquidate, dissolve or wind-up our Company. Refer to Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources" for the current limitations on our ability to pay dividends on or repurchase shares of our common stock.

Subject to certain exceptions, our Term Loan Credit Agreement contains provisions requiring mandatory prepayment of the term loan obligations from (a) net cash proceeds from certain non-ordinary course sales or other dispositions of assets, (b) net cash proceeds from the issuances of certain debt by the Company and subsidiaries, and (c) the Excess Cash Flow of the Company and its subsidiaries. Under the terms of the Term Loan Credit Agreement, mandatory prepayments of the Term Loan B may not be reborrowed, thereby reducing funds available for other purposes. For more information on our liquidity, see Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources."

Changes in interest rates or the phaseout of LIBOR may significantly increase our borrowing costs.

Our Global Revolving Credit Facility and Term B Facility accrue interest at variable rates. As of December 31, 2021, we had $0.9 million of borrowings outstanding under our Global Revolving Credit Facility which matures on December 10, 2023 and $447.8 million of term loan borrowings which mature on April 6, 2028. We may reduce our exposure to rising interest rates by entering into interest rate hedging arrangements, although those arrangements may result in us incurring higher interest expenses than we would incur without the arrangements. If interest rates increase in the absence of such arrangements, we will need to dedicate more of our cash flow from operations to make payments on our debt. In addition, the variable interest rates on our Global Revolving Credit Facility and Term Loan B are based on LIBOR as a benchmark. LIBOR is the subject of national, international and other regulatory guidance and proposals for reform. In 2017, the United

Kingdom's Financial Conduct Authority the "FCA"), which regulates LIBOR, announced that it intended to phase out LIBOR. On November 30, 2020 the administrator of LIBOR, with the support of the United States Federal Reserve and the FCA, announced plans to consult on ceasing publication of LIBOR on December 31, 2021 for only the one week and two month LIBOR tenors, and on June 30, 2023 for all other LIBOR tenors. While this announcement extends the transition period to June 30, 2023, the United States Federal Reserve concurrently issued a statement advising banks to stop new LIBOR issuances by the end of 2021. No consensus exists as to which reference rate or rates or benchmarks may become acceptable alternatives to LIBOR. The Alternative Reference Rates Committee, a steering committee comprised of U.S. financial market participants, has identified the secured overnight financing rate ("SOFR") as the recommended alternative rate for all LIBOR. At this time, it is impossible to predict whether the SOFR or another reference rate will become an accepted alternative to LIBOR. Any changes in the methods by which LIBOR is determined or regulatory activity related to LIBOR's phaseout could cause LIBOR to perform differently than in the past or cease to exist. The consequences of these developments cannot be entirely predicted, but could include an increase in the cost of our variable rate borrowings.

Our failure to comply with the covenants contained in our Credit Agreements could result in an event of default that could cause acceleration of our indebtedness.

Our failure to comply with the covenants and other requirements contained in the credit agreements or our other debt instruments could cause an event of default under the relevant debt instrument. The occurrence of an event of default could trigger a default under our other debt instruments, prohibit us from accessing additional borrowings and permit the holders of the defaulted debt to declare amounts outstanding with respect to that debt to be immediately due and payable. Our assets or cash flows may not be sufficient to fully repay borrowings under our outstanding debt instruments, and we may be unable to refinance or restructure the payments on indebtedness on favorable terms, or at all.

Despite our indebtedness levels, we and our subsidiaries may be able to incur substantially more indebtedness, which may increase the risks created by our substantial indebtedness.

Because the terms of our credit agreements do not fully prohibit us or our subsidiaries from incurring additional indebtedness, we and our subsidiaries may be able to incur substantial additional indebtedness in the future, some of which may be secured. If we or any of our subsidiaries incur additional indebtedness, the related risks that we and they face may intensify.

Our credit agreements are secured by a majority of our assets.

Our principal credit agreements are secured by a majority of our assets. Availability under our Global Revolving Credit Facility will fluctuate over time depending on the value of our inventory, receivables and (in the case of the German Revolving Credit Facility) various capital assets. An extended work stoppage or decline in sales volumes would result in a decrease in the value of the assets securing the Global Revolving Credit Facility. A reduction in availability under the Global Revolving Credit Facility could have a material effect on our liquidity.

Changes in credit ratings issued by nationally recognized statistical rating organizations could adversely affect our cost of financing and have an adverse effect on the market price of our securities.

There can be no assurance that any rating assigned by the rating agencies will remain in effect for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, future circumstances relating to the basis of the rating, such as adverse changes, so warrant. A lowering or withdrawal of the ratings assigned to our debt securities by rating agencies may increase our future borrowing costs and reduce our access to capital, which could have a material adverse impact on our financial condition and results of operations.

We depend on our subsidiaries to generate cash flow to meet our debt service obligations.

We conduct a substantial portion of our business through our subsidiaries. Consequently, our cash flow and ability to service our debt obligations depend upon the earnings of our subsidiaries and the distribution of those earnings to us, or

upon loans, advances or other payments made by these entities to us. The ability of these entities to pay dividends or make other payments or advances to us will be subject to applicable laws and contractual restrictions contained in the instruments governing their debt, including our credit agreements. These limitations are also subject to important exceptions and qualifications.

The ability of our subsidiaries to generate sufficient cash flow from operations to allow us to make scheduled payments on our debt will depend upon their future financial performance, which will be affected by a range of economic, competitive and business factors, many of which are outside of our control as well as their ability to repatriate cash to us. If our subsidiaries do not generate sufficient cash flow from operations to help us satisfy our debt obligations, or if they are unable to distribute sufficient cash flow to us, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital expenditures or seeking to raise additional capital. Refinancing may not be possible, and any assets may not be saleable, or, if sold, we may not realize sufficient amounts from those sales. Additional financing may not be available on acceptable terms, if at all, or we may be prohibited from incurring it, if available, under the terms of our various debt instruments then in effect. Our inability to generate sufficient cash flow to satisfy our debt obligations or to refinance our obligations on commercially reasonable terms would have an adverse effect on our business, financial condition and results of operations.

General Risk Factors

The outcome of legal actions and claims may adversely affect us.

We are involved in legal actions and claims arising in the ordinary course of our business. The outcome of such legal actions and claims against us cannot be predicted with certainty. Legal actions and claims against us could have a material effect on our financial condition, results of operations and liquidity.

ESG issues may have an adverse effect on our business, financial condition and results of operations, the desirability of our stock, and may damage our reputation.

Companies across all industries are facing increasing scrutiny relating to their ESG policies. If we are unable to meet our ESG goals or evolving investor, industry, or stakeholder expectations and standards, or if we are perceived to have not responded appropriately to the growing concern for ESG issues, customers and consumers may choose to stop purchasing our products or purchase products from another company or a competitor, and our reputation, the desirability of our stock to investors, and our business or financial condition may be adversely affected. Increased focus and activism on ESG topics may hinder our access to capital, as investors may reconsider their capital investment as a result of their assessment of our ESG practices. In particular, these constituencies are increasingly focusing on environmental issues, including climate change, water use, deforestation, waste, and other sustainability concerns. These demands could cause us to incur additional costs or to make changes to our operations to comply with such demands. In addition to environmental issues, these constituencies are also focused on social and other governance issues, including matters such as, but not limited to, human capital and social issues. Any failure to achieve our ESG goals or a perception (whether or not valid) of our failure to act responsibly with respect to the environmental, human capital, or social issues, or to effectively respond to new, or changes in, legal or regulatory requirements concerning environmental or other ESG matters, or increased operating or manufacturing costs due to increased regulation or environmental causes could adversely affect our business and reputation and increase risk of litigation.

We are subject to cybersecurity risks related to breaches of security pertaining to sensitive company, customer, employee and vendor information as well as breaches in the technology that manages operations and other business processes.

We use information technologies to securely manage operations and various business functions. We rely on various technologies to process, store and report on our business and interact with customers, vendors and employees. The secure processing, maintenance and transmission of this information is critical to our operations and business strategy. Despite our security design and controls, and those of our third party providers, our information technology and infrastructure may be vulnerable to cyber attacks by hackers or breaches due to employee error, malfeasance or other disruptions. Any such breach could result in operational disruptions or the misappropriation of sensitive data that could subject us to civil and criminal penalties, litigation or have a negative impact on our reputation. There can be no assurance that such disruptions

or misappropriations and the resulting repercussions will not negatively impact our cash flows and materially affect our results of operations or financial condition. The U.S. Congress is considering cybersecurity legislation that, if enacted, could impose additional obligations on us and could expand our potential liability in the event of a cybersecurity incident.

Additionally, we collect, process, store, use and transmit personal data for use in our business, most of which relates to our global employees. Personal data is increasingly subject to legal and regulatory protections around the world, which vary widely in approach and which possibly conflict with one another. As discussed above, in recent years, U.S. legislators and regulatory agencies, such as the Federal Trade Commission, as well as U.S. states, have increased their focus on protecting personal data by law and regulation, and have increased enforcement actions for violations of privacy and data protection requirements. The General Data Protection Regulation ("GDPR"), which became effective in the European Union in May 2018 intended to protect the privacy and security of personal data, including credit card information that is collected, processed and transmitted in or from the relevant jurisdiction. Implementation of and compliance with these laws and regulations may be more costly or take longer than we anticipate, or could otherwise adversely affect our business operations, which could negatively impact our financial position or cash flows. Additionally, media coverage of data breaches has escalated, in part because of the increased number of enforcement actions, investigations and lawsuits. As this focus and attention on privacy and data protection increases, we also risk exposure to potential liabilities and costs resulting from the compliance with, or any failure to comply with applicable legal requirements, conflicts among these legal requirements or differences in approaches to privacy and security of data. Our business could be materially adversely affected by our inability, or the inability of our vendors who receive personal data from us, to comply with legal obligations regarding the use of personal data, new data handling requirements that conflict with or negatively impact our business practices.

Our business may suffer if we do not retain our senior management and operations personnel.

The loss of members of our senior management team could adversely affect our business until suitable replacements can be found. There may be a limited number of candidates with the requisite skills to serve in these positions and we may be unable to locate or employ qualified personnel on acceptable terms. In addition, our future success requires us to continue to attract and retain competent personnel at all levels of the organization, notably in the manufacturing facilities and support functions.

FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Report on Form 10-K may constitute "forward-looking" statements as defined under the federal securities laws. Statements contained in this Annual Report on Form 10-K that are not historical facts may be forward-looking statements within the meaning of the federal securities laws. Any such forward-looking statements reflect our beliefs and assumptions and are based on information currently available to us. Forward-looking statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These cautionary statements are being made with the intention of obtaining the benefits of the "safe harbor" provisions for forward-looking statements under the federal securities laws. We caution investors that any forward-looking statements we make are not guarantees or indicative of future performance. For additional information regarding factors that may cause our results of operations to differ materially from those presented herein, please see "Risk Factors" contained in this Annual Report on Form 10-K and as are detailed from time to time in other reports we file with the SEC.

You can identify forward-looking statements as those that are not historical in nature, particularly those that use terminology such as "may," "will," "should," "expect," "anticipate," "contemplate," "estimate," "believe," "plan," "project," "predict," "potential" or "continue," or the negative of these, or similar terms. In evaluating these forward-looking

statements, you should consider the following factors, as well as others contained in our public filings from time to time, which may cause our actual results to differ materially from any forward-looking statement:

- changes in market demand for our products due to global economic and political conditions or our inability to execute product innovation strategies;
- the impact of competition, both domestic and international, changes in industry production capacity, including the construction of new mills or new machines, the closing of mills and incremental changes due to capital expenditures or productivity increases;
- the loss of current customers or the inability to obtain new customers;
- increases in commodity prices, (particularly for pulp, energy and latex);
- our ability to control costs, including transportation, and implement measures designed to enhance operating efficiencies;
- the availability of raw materials and energy and other supply chain interruptions;
- the impact of cybersecurity risks related to breaches of security pertaining to sensitive Company, customer or vendor information, as well as breaches in the technology that manages operations and other business processes;
- loss and replacement of key personnel;
- our ability identify attractive acquisition targets and to successfully integrate acquired businesses into our existing operations;
- changes in asset valuations including write-downs of assets including property, plant and equipment; inventory, accounts receivable, deferred income tax assets or other assets for impairment or other reasons;
- the enactment of adverse federal, state, or foreign tax or other legislation or changes in government policy or regulation;
- the impact of increased trade protectionism and tariffs on our business, results of operations and financial condition;
- unanticipated expenditures related to the cost of compliance with environmental and other governmental regulations;
- fluctuations in foreign currency exchange rates (in particular changes in the U.S. dollar/Euro currency exchange rates) and interest rates on long-term debt;
- increases in the funding requirements for our pension and post-employment liabilities;
- strikes, labor stoppages and changes in our collective bargaining agreements and relations with our employees and unions;
- capital and credit market volatility and fluctuations in global equity and fixed-income markets;
- our existing and future indebtedness;
- our NOLs may not be available to offset our tax liabilities and other tax planning strategies may not be effective;
- other risks that are detailed from time to time in reports we file with the SEC; and
- other factors described under "Risk Factors."

You are cautioned not to unduly rely on such forward-looking statements, which speak only as of the date made, when evaluating the information presented in this Annual Report on Form 10-K. We undertake no duty to update these forward-looking statements after the date of this Annual Report on Form 10-K, even though our situation may change in the future.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our principal executive offices are located in Alpharetta, Georgia, a suburb of Atlanta, Georgia. We have nine manufacturing facilities in the United States that produce printing and writing, text, cover, durable saturated and coated substrates, premium packaging, filtration and other specialty papers for a variety of end uses. We have two manufacturing facilities in Germany that produce transportation and other filter media, and durable and saturated substrates. We have one manufacturing facility in the Netherlands that produces digital transfer media and other technical products. In April 2021, we acquired manufacturing facilities in Spain and Mexico with the acquisition of Itasa, a global coater and converter of release liners used in hygiene, tapes, industrial, labels, composites, and various other end markets. We also have one manufacturing facility in the U.K. that produces durable printing and specialty paper.

We believe that each of these facilities is adequately maintained and is suitable for conducting our operations and business. We manage machine operating schedules at our manufacturing locations to fulfill customer orders in a timely manner and control inventory levels.

As of December 31, 2021, the locations of our principal facilities and operating equipment and the products produced at each location are listed below:

Location	Equipment/Resources	Owned or Leased	Products
Fine Paper and Packaging Segment			
Neenah Mill Neenah, Wisconsin	Two paper machines; paper finishing equipment	Owned	Printing and writing, text, cover, packaging and other specialty papers
Whiting Mill Whiting, Wisconsin	Four paper machines; paper finishing equipment	Owned	Printing and writing, text, cover, packaging and other specialty papers
Converting Center Neenah, Wisconsin	Paper finishing equipment	Owned	Printing and writing, text, cover, packaging and other specialty papers
Great Barrington Mill Great Barrington, Massachusetts	Paper finishing equipment	Equipment owned; leased facility	Laminated specialty papers and toll converting services
Technical Products Segment			
Munising Mill Munising, Michigan	Two paper machines; two off line saturators; two off line coaters; specialty finishing equipment	Owned	Tapes, abrasives, premask, medical packaging and other durable, saturated and coated substrates
Appleton Mill Appleton, Wisconsin	Two paper machines, saturating equipment; paper finishing equipment	Owned (a)	Transportation filtration, printing and writing, text, cover, packaging, and other specialty papers
Pittsfield Mill Pittsfield, Massachusetts	Three paper machines; paper finishing equipment	Owned	Reverse osmosis filtration and glass applications
Bruckmühl Mill Bruckmühl, Germany	One paper machine; two saturator/ coaters; finishing equipment	Owned	Masking tape backings and abrasive backings
Weidach Mill Feldkirchen-Westerham, Germany	Two paper machines; three saturators; one laminator; three meltblown machines; specialty finishing equipment	Owned	Transportation filtration and other filter media
Bolton Mill Bolton, England	Saturating, coating, and finishing equipment	Owned	Durable printing, specialty paper, and coated substrates
Eerbeek Mill Eerbeek, Netherlands	Two paper machines; paper finishing equipment	Owned	Digital dye sublimation and digital transfer printing paper
Andoain Mill Andoain, Spain	Four coaters; specialty finishing equipment (seven slitters and one printer)	Equipment owned; leased facility	Specialty coatings media used for release liners and other applications
Queretaro Mill Queretaro, Mexico	One coater; specialty finishing equipment (three slitters and one printer)	Equipment owned; leased facility	Specialty coatings media used for release liners and other applications
Shared Facilities			
Brownville Mill Brownville, New York	One paper machine; one off-line coater	Owned	Durable printing, packaging, and specialty paper
Lowville Mill Lowville, New York	Saturating, coating, embossing and finishing equipment	Owned	Durable printing, packaging, and specialty paper
Quakertown Mill Quakertown, Pennsylvania	Saturating, coating, embossing and finishing equipment	Owned	Durable printing, packaging, and specialty paper

(a) On June 28, 2021, the Company's Board of Directors approved the permanent closure of the Appleton facility. During the third quarter of 2021, a process was initiated to market the facility for sale, and as of December 31, 2021, it was reported separately as Assets held for sale in the consolidated balance sheet. See Note 13 of Notes to Consolidated Financial Statements, "Assets Held for Sale and Impairment and Asset Restructuring Costs".

See Note 7 of Notes to Consolidated Financial Statements, "Debt", for a description of the material encumbrances attached to the properties described in the table above.

As of December 31, 2021, the locations of our owned and leased office and laboratory space and the functions performed at each location are listed below.

Administrative Location	Office/Other Space	Function
Alpharetta, Georgia	Leased Office Space	Corporate Headquarters, Administration and Design Center
Neenah, Wisconsin	Owned Office Space	Administration
Munising, Michigan	Owned Office and Laboratory Space	Administration and Research and Development for our technical products business
Pittsfield, Massachusetts	Owned Office and Laboratory Space	Administration and Research and Development for our technical products and fine paper and packaging businesses
Feldkirchen-Westerham, Germany	Owned Office and Laboratory Space	Administration and Research and Development for our technical product business
Eerbeek, Netherlands	Owned Office and Laboratory Space	Administration and Research and Development for our technical product business
Andoain, Spain	Leased Office and Laboratory Space	Administration and Research and Development for our technical product business
Queretaro, Mexico	Leased Office and Laboratory Space	Administration and Research and Development for our technical product business

Capacity Utilization

Paper machines in our manufacturing facilities generally operate on a combination of three-shift five- or seven-day schedules to meet demand. We are not constrained by input factors and the maximum operating capacity of our manufacturing facilities is calculated based on operating days to account for variations in mix and different units of measure between assets. Due to required maintenance downtime and contract holidays, the maximum number of operating days is defined as 350 days per year. We generally expect to utilize approximately 80 to 90 percent of our maximum operating capacity. The following table presents our percentage utilization of maximum operating capacity by segment:

	Year Ended December 31,		
	2021	2020	2019
Technical Products	83 %	66 %	66 %
Fine Paper and Packaging	87 %	79 %	86 %

Item 3. Legal Proceedings

Litigation

We are involved in certain legal actions and claims arising in the ordinary course of business. While the outcome of these legal actions and claims cannot be predicted with certainty, it is the opinion of management that the outcome of any such claim which is pending or threatened, either individually or on a combined basis, will not have a material effect on our consolidated financial condition, results of operations or liquidity.

Income Taxes

We periodically undergo examination by the IRS as well as the taxing authorities of various state and foreign jurisdictions. The IRS and other taxing authorities routinely challenge certain deductions and credits we report on our income tax returns.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Neenah common stock is listed on the New York Stock Exchange and is traded under the ticker symbol "NP".

For the nine months ended September 30, 2021, we paid quarterly cash dividends of $0.47 per common share, and for the quarter ended December 31, 2021, we increased the quarterly cash dividend to $0.475 per common share, with full year cash dividend payments in the year ending December 31, 2021 totaling $31.9 million. For the year ended December 31, 2020, we paid quarterly cash dividends of $0.47 per common share or $31.9 million annually.

Dividends are declared at the discretion of the Board of Directors, and future dividends will depend on our future earnings, cash flow, financial requirements and other factors. Our ability to pay cash dividends on our common stock is limited under the terms of our credit agreements. Under the terms of the Fourth Amended and Restated Credit Agreement, we are permitted to pay cash dividends on, and repurchase shares of our common stock without limitation as long as our specified excess availability under the Fourth Amended and Restated Credit Agreement exceeds the greater of (i) $20 million and (ii) 12.5 percent of the maximum aggregate commitments under our revolving credit facility as then in effect (approximately $22 million as of December 31, 2021), on a pro forma basis after giving effect to such dividend or stock repurchase (as the case may be). If our specified excess availability, on a pro forma basis, is below that amount, we are subject to certain restrictions on the amount of cash dividends we are permitted to declare and the amount of share repurchases we are permitted to execute. As of December 31, 2021, our availability exceeded the applicable threshold, so this restriction did not apply.

Under the most restrictive terms of the Term Loan Credit Agreement, we are permitted to pay cash dividends and repurchase shares of our common stock in an aggregate amount not to exceed $8.75 million per fiscal quarter. However, as long as the total leverage ratio calculated in accordance with the Term Loan Credit Agreement does not exceed 3.0 to 1.0, we can pay dividends or repurchase shares without limitation. In the event the total leverage ratio exceeds 3.0 to 1.0 but is less than or equal to 4.0 to 1.0, we may still pay dividends or repurchase shares of our common stock in an aggregate amount in excess of $8.75 million per fiscal quarter by utilizing certain "restricted payment baskets" described in the Term Loan Credit Agreement. In addition, we would be permitted to pay cash dividends and repurchase shares of, our common stock in excess of $8.75 million per fiscal quarter if the aggregate amount of such payments, together with the amount of redemptions or prepayments of certain indebtedness, is less than or equal to the greater of (i) $125 million and (ii) 15 percent of our consolidated tangible assets. As of December 31, 2021, our total leverage ratio was greater than 3.0 to 1.0, but below 4.0 to 1.0.

As of February 16, 2022, Neenah had 966 holders of record of its common stock. The closing price of Neenah's common stock on February 16, 2022 was $47.78.

Purchases of Equity Securities:

The following table sets forth certain information regarding purchases of our common stock during the fourth quarter of 2021.

	Issuer Purchases of Equity Securities			
			Shares Purchased as Part of Publicly Announced Plans or Programs (b)	
Period	Total Number of Shares Purchased (a)	Average Price Paid Per Share	Total Number of Shares Purchased	Approximate Dollar Value of Shares that May Yet Be Purchased
October 2021	33,057	$48.86	32,815	$20,000,017
November 2021	—	—	—	$20,000,017
December 2021	10,133	$46.28	—	$20,000,017

(a) Transactions include both the purchase of vested restricted shares from employees to satisfy minimum tax withholding requirements upon vesting of stock-based awards, and shares purchased as part of a publicly announced plan. See Notes 9 and 10 of Notes to Consolidated Financial Statements, "Stock Compensation Plans" and "Stockholders' Equity", respectively.

(b) In November 2020, our Board of Directors authorized a program for the purchase of up to $25 million of outstanding common stock effective January 1, 2021. The program does not expire or require the Company to purchase any specific number of shares and may be suspended or discontinued at any time.

Equity Compensation Plan Information

The following table summarizes information about outstanding options (in this report, unless the context requires otherwise, references to "options" are intended to include stock appreciation rights) and restricted stock and shares reserved for future issuance under our existing equity compensation plans as of December 31, 2021.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants, and rights	(b) Weighted-average exercise price of outstanding options, warrants, and rights (1)	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	206,883 (2)	$72.76	588,903
Equity compensation plans not approved by security holders	—	—	—
Total	206,883	$72.76	588,903

(1) The weighted-average exercise price of outstanding options, warrants and rights does not take into account restricted stock units since they do not have an exercise price.

(2) Includes (i) 8,137 shares that would be issued upon the assumed exercise of 38,926 stock appreciation rights ("SARs") at the $46.28 per share closing price of our common stock on December 31, 2021, (ii) 126,121 shares issuable following the vesting and conversion of outstanding performance share unit awards, and (iii) 72,625 shares issuable upon the vesting and conversion of outstanding restricted stock units, all as of December 31, 2021. As of December 31, 2021, we had an aggregate of 361,431 stock options and SARs outstanding. The weighted average exercise price of the stock options and SARs was $72.76 per share and the remaining contractual life of such awards was 4.5 years.

Item 6. (Reserved)

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis presents the factors that had a material effect on our results of operations during the year ended December 31, 2021. Also discussed is our financial position as of December 31, 2021. You should read this discussion in conjunction with our consolidated financial statements and the notes to those consolidated financial statements included elsewhere in this Annual Report on Form 10-K. This Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements. See "Forward-Looking Statements" for a discussion of the uncertainties, risks and assumptions associated with these statements. A detailed discussion of year ended December 31, 2020 can be found in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K filed on February 19, 2021.

Introduction

This Management's Discussion and Analysis of Financial Condition is intended to provide investors with an understanding of the historical performance of our business, its financial condition and its prospects. We will discuss and provide our analysis of the following:

- Overview of Business;
- Business Segments;
- Results of Operations and Related Information;
- Liquidity and Capital Resources;
- Adoption of New Accounting Pronouncements; and
- Critical Accounting Policies and Use of Estimates.

Overview of Business

We are a leading global producer of specialty materials. We have two primary operations: our technical products business and our fine paper and packaging business.

Our mission is to manufacture critical components that create possibilities for our customers and end-users. We expect to drive value by growing in markets where product performance or image is valued and where we have competitive advantages. In managing our businesses, we believe that achieving and maintaining a leadership position in our markets, responding effectively to customer needs and competitive challenges, employing capital optimally, controlling costs and managing risks are important to long-term success. Changes in general economic conditions and timing of changes in input costs and selling prices will also impact our results. In this discussion and analysis, we will refer to these factors.

Business Segments

Our two reportable operating segments consist of Technical Products and Fine Paper and Packaging.

Our technical products business is a leading international producer of transportation, water and other filter media and durable, saturated, and coated substrates for a variety of end markets. We focus on categories where we believe we are, or can be, a market leader. These categories include filtration media for transportation, water and other end use applications, backings for specialty tapes and abrasives, release liners, digital transfer papers, performance labels and other custom engineered materials. Our products are typically used in high performance applications where our customers require specific standards and qualifications. Our dedicated technical products manufacturing facilities are located in Weidach and Bruckmühl, Germany, Eerbeek, Netherlands, Andoain, Spain, Bolton, England, Queretaro, Mexico, Munising, Michigan, and Pittsfield, Massachusetts.

Our fine paper and packaging business is a leading supplier of premium printing, packaging, and other high-end specialty papers predominantly in North America. Our products include some of the most recognized and preferred brands in North America, where we enjoy leading market positions in many of our product categories. Often these papers are characterized by distinctive finishing, colors, textures and coating. We sell our products primarily to authorized paper distributors, as well as through converters, major national retailers and specialty businesses. Our dedicated fine paper and packaging manufacturing facilities are located in Whiting and Neenah, Wisconsin, and Great Barrington, Massachusetts. In addition, certain products of both segments are manufactured in shared facilities located in Brownville and Lowville, New York, and Quakertown, Pennsylvania.

In January 2021, the Company realigned management of the publishing products component of the Technical Products segment to be part of the Fine Paper and Packaging segment. As a result, the Company recast the comparable 2020 information and presented the $26.3 million of net sales and $0.9 million of operating loss for the year ended December 31, 2020, which were formerly in the Technical Products segment to be a part of the Fine Paper and Packaging segment.

As discussed in Note 4 of Notes to Consolidated Financial Statements, "Business Acquisition", on April 6, 2021 the Company acquired all of the outstanding capital stock of Global Release Liners, S.L., a Spanish limited company (Itasa) for approximately $240.2 million in cash, net of cash on hand and debt extinguishment, and including a loss on foreign currency forward contracts. Itasa, through its subsidiaries, is a leading global coater and converter of release liners used in hygiene, tapes, industrial labels, composites, and various other end markets. The acquisition ("Itasa Acquisition") was funded with available cash-on-hand and the net proceeds of the Term Loan B discussed in Note 7 of Notes to Consolidated Financial Statements, "Debt." The Company incurred $12.8 million of costs related to the acquisition, including a realized loss of $5.1 million related to the foreign currency forward contracts negotiated to fund the purchase price in Euros. The Itasa business is now part of the Company's Technical Products segment.

Results of Operations and Related Information

In this section, we discuss and analyze our net sales, income before interest and income taxes (which we refer to as "operating income") and other information relevant to an understanding of our results of operations.

Executive Summary

For the year ended December 31, 2021, consolidated net sales of $1,028.5 million increased $235.9 million, or 30 percent, from $792.6 million in 2020. The increase in net sales resulted primarily from strong organic volume growth in both segments, from pricing actions in response to input cost increases and from the Itasa Acquisition which contributed $106.9 million to the change in the Technical Products segment. Net sales grew 38 percent in Technical Products and 18 percent in Fine Paper and Packaging. In addition to the incremental impacts from Itasa, the Technical Products segment volume increased significantly but was adversely affected by a lower value sales mix in 2021. The increase in net sales in the Fine Paper and Packaging segment was due to higher demand, increased selling prices and a higher value sales mix.

Consolidated operating income (loss) for the year ended December 31, 2021 was a loss of $11.8 million, and such loss was $5.7 million larger than the prior year. Excluding adjusting items in both years, adjusted operating income of $72 million increased $7.6 million from $64.4 million in 2020. As presented in the reconciliation table on page 34, we recorded $83.8 million of adjusting items in 2021, including non-cash impairment and asset restructuring costs, pension and SERP settlement/curtailment losses, acquisition and integration costs, loss on debt extinguishment, incremental costs of COVID-19 and other restructuring and non-routine costs. Adjusting items of $70.5 million in 2020 included similar items. Adjusted operating income increased in 2021 due to robust sales volume growth (including the volume and operating income from Itasa) and pricing actions in both segments, partially offset by significantly higher raw material, energy and distribution costs, effects of supply chain constraints and a lower value sales mix in Technical Products. Additionally, manufacturing costs for both segments increased due to higher workforce turnover and labor costs.

Cash provided by operating activities of $53.2 million for the year ended December 31, 2021 was $40.2 million lower than the $93.4 million in the prior year. The decrease resulted from the increase in working capital needs resulting from the 30 percent rebound in net sales in 2021 compared to the COVID-impacted level of business activity and spending in 2020. Also, we had significantly higher global tax payments in 2021 due to payment of one-half of the U.S. payroll taxes which had been deferred from 2020 and from higher foreign entities' taxable income.

Capital expenditures for the year ended December 31, 2021 were $28.2 million compared to $18.9 million in the prior year. Capital spending increased by $9.3 million, reflecting actions we took in 2020 to significantly minimize capital spending.

In addition to these financial results, other noteworthy accomplishments during 2021 included: achieving an overall 30 percent reduction in the rate of workplace injuries through strong employee engagement in safety initiatives, pivoting in response to raw material input availability challenges by reformulating a significant portion of our product portfolio and implementation of the Neenah Operating System, an enterprise-wide framework of principles, practices and tools, with employee safety always preeminent, which are designed to align internal processes with customer value, and focus on continuous improvement and long-term value creation in our manufacturing facilities.

Analysis of Net Sales — Years Ended December 31, 2021 and 2020

The following table presents net sales by segment and net sales expressed as a percentage of total net sales:

	Year Ended December 31,			
Net sales	**2021**	**2021**	**2020**	**2020**
Technical Products	$ 664.2	65 %	$ 482.6	61 %
Fine Paper and Packaging	364.3	35 %	310.0	39 %
Consolidated	$ 1,028.5	100 %	$ 792.6	100 %

Commentary:

Year 2021 versus 2020

	For the Year Ended December 31,		Change in Net Sales Compared to the Prior Year			
				Change Due To		
	2021	**2020**	**Total Change**	**Volume**	**Price/Mix**	**Currency**
Technical Products	$ 664.2	$ 482.6	$ 181.6	$ 176.9	$ (7.2)	$ 11.9
Fine Paper and Packaging	364.3	310.0	54.3	41.4	12.9	—
Consolidated	$ 1,028.5	$ 792.6	$ 235.9	$ 218.3	$ 5.7	$ 11.9

Consolidated net sales for the year ended December 31, 2021 were $235.9 million (30%) higher than the prior year. The increase in net sales resulted primarily from strong organic volume growth in both segments, from pricing actions in response to input cost increases and from the Itasa Acquisition which contributed $106.9 million to the change in the Technical Products segment. Net sales grew 38 percent in Technical Products and 18 percent in Fine Paper and Packaging. In addition to the incremental impacts from Itasa, the Technical Products segment volume increased significantly but was adversely affected by a lower value sales mix in 2021. The increase in net sales in the Fine Paper and Packaging segment was due to higher demand, increased selling prices and a higher value sales mix.

- Net sales in our technical products business increased $181.6 million (38%) from the prior year. The revenue increase was primarily driven by a volume rebound in all product categories, the incremental net sales from the Itasa Acquisition and from selling price increases totaling $8.3 million. These increases were partially offset by a lower value sales mix in 2021, which was impacted by the adverse effects of limited availability of various raw materials from global supply chain constraints.
- Net sales in our fine paper and packaging business increased $54.3 million (18%) from the prior year. The increase reflected a continued rebound of volumes in all product categories, especially in premium packaging and consumer products. Selling price increases totaling $10.6 million were realized in 2021, along with an improved product mix.

Analysis of Operating Income — Years Ended December 31, 2021 and 2020

The following table sets forth line items from our consolidated statements of operations as a percentage of net sales for the periods indicated and is intended to provide a perspective of trends in our historical results:

	Year Ended December 31,	
	2021	2020
Net sales	100.0 %	100.0 %
Cost of products sold	84.1 %	80.7 %
Gross profit	15.9 %	19.3 %
Selling, general and administrative expenses	9.9 %	11.2 %
Impairment and asset restructuring costs	3.4 %	7.3 %
Pension and SERP settlement and curtailment losses	1.7 %	0.2 %
Acquisition-related costs	1.3 %	0.2 %
Loss on debt extinguishment	0.7 %	0.2 %
Other restructuring and non-routine costs	0.2 %	0.5 %
COVID-19 costs	0.2 %	0.4 %
Other expense (income), net	(0.3)%	0.1 %
Operating income (loss)	(1.2)%	(0.8)%
Interest expense, net	1.7 %	1.6 %
Income (loss) before income taxes	(2.9)%	(2.4)%
Provision (benefit) for income taxes	(0.5)%	(0.4)%
Net income (loss)	(2.4)%	(2.0)%

Commentary:

Year 2021 versus 2020

	For the Years Ended December 31,		Change in Operating Income (Loss) Compared to the Prior Year					
				Change Due To				
	2021	2020	Total Change	Volume	Price/Mix (a)	Input Costs (b)	Currency	Other (c)
Technical Products	$ 5.6	$ (3.9)	$ 9.5	$ 37.5	$ (7.1)	$ (34.5)	$ 2.3	$ 11.3
Fine Paper and Packaging	40.9	22.4	18.5	12.3	13.6	(12.2)	—	4.8
Unallocated corporate costs	(58.3)	(24.6)	(33.7)	—	—	—	—	(33.7)
Consolidated	$ (11.8)	$ (6.1)	$ (5.7)	$ 49.8	$ 6.5	$ (46.7)	$ 2.3	$ (17.6)

(a) Includes price changes, net of changes in product mix.
(b) Includes cost changes for raw materials and energy.
(c) Includes other manufacturing costs, over (under) absorption of fixed costs, distribution and selling, general and administrative ("SG&A") expenses. In addition, in 2021, it included $45.5 million, $0.8 million, and $37.5 million of unfavorable adjustments in Technical Products, Fine Paper and Packaging, and Unallocated corporate costs, respectively. In 2020, it included it included $56.9 million, $8.0 million, and $5.6 million of unfavorable adjustments in Technical Products, Fine Paper and Packaging, and Unallocated corporate costs, respectively. See the breakdown by segment in the reconciliation table on page 34 for further detail.

Consolidated operating income decreased $5.7 million from prior year to a loss of $11.8 million for the year ended December 31, 2021. Excluding adjusting items in both years, adjusted operating income of $72 million increased $7.6 million from $64.4 million in 2020. As presented in the reconciliation table on page 34, we recorded $83.8 million of adjusting items in 2021, including non-cash impairment and asset restructuring costs, pension and SERP settlement/ curtailment losses, acquisition and integration costs, loss on debt extinguishment, incremental costs of COVID-19 and other restructuring and non-routine costs. Adjusting items of $70.5 million in 2020 included similar items. Adjusted operating income increased in 2021 due to robust sales volume growth (including the volume and operating income from Itasa) and pricing actions in both segments, partially offset by significantly higher raw material, energy and distribution costs, effects of supply chain constraints and a lower value sales mix in Technical Products. Additionally, manufacturing costs for both segments increased due to higher workforce turnover and labor costs.

- Operating income for our technical products business increased $9.5 million from prior year to a profit of $5.6 million. Excluding unfavorable adjusting items discussed above and shown on the reconciliation table on page 34 , adjusted operating income decreased $1.9 million (4%), reflecting higher sales and production volumes, including those from the Itasa Acquisition and favorable foreign currency, which were more than offset by higher raw material, energy and distribution costs, a lower value sales mix, along with manufacturing cost inefficiencies. The facilities required increased hiring activity to meet demand and were faced with higher workforce turnover which led to incremental training, bonus and overtime costs, and adverse productivity and waste. Also, we experienced a lag in executing certain customer pricing actions to recover input cost increases, as some are subject to annual adjustment contract provisions.
- Operating income for our fine paper and packaging business increased $18.5 million (83%) from the prior year period. Excluding unfavorable adjusting items discussed above and shown on the reconciliation table on page 34, adjusted operating income increased $11.3 million (37%) from the prior year, primarily as a result of higher sales and production volumes and higher value sales mix. The increase was offset by higher input and distribution costs, along with manufacturing cost inefficiencies. The facilities required increased hiring activity to meet demand which led to incremental training, bonus and overtime costs, and adverse productivity and waste.
- Unallocated corporate costs for the year ended December 31, 2021 were $58.3 million, or $33.7 million higher than the prior year. Excluding the $37.5 million of unfavorable adjusting items, primarily related to pension settlement losses and acquisition-related costs (shown on the reconciliation table on page 34), the unallocated corporate costs of $20.8 million increased $1.8 million (10%) from the COVID-19 impacted 2020 period. During November 2021, to reduce pension risk of a U.S. pension plan, the Company liquidated trust assets to acquire a $64 million group insurance annuity for 1,400 retirees with relatively small monthly pension benefits. This transaction is expected to save the Company approximately $7 million over the lives of these retirees, as it eliminated future disproportionately high “per head” Pension Benefit Guaranty Corporation fees and administrative costs of the trustee. Recognition of a pro-rata share of the cumulative actuarial losses was triggered by this transaction, resulting in a $15.6 million settlement loss.

The following table sets forth our operating income by segment, adjusted for the effects of certain costs, for the periods indicated:

	YTD	
	2021	2020
Technical Products		
GAAP Operating Income (Loss)	$ 5.6	$ (3.9)
Impairment and asset restructuring costs	37.3	54.1
Acquisition-related costs	5.8	—
Pension and SERP settlement and curtailment losses	0.9	0.8
Loss on debt extinguishment	—	0.1
Other restructuring and non-routine costs	1.0	0.6
COVID-19 costs	0.5	1.3
Adjusted operating income	$ 51.1	$ 53.0
Fine Paper and Packaging		
GAAP Operating Income	$ 40.9	$ 22.4
Impairment and asset restructuring costs	—	3.7
Pension and SERP adjustments	—	0.4
Other restructuring and non-routine costs	—	2.3
COVID-19 costs	0.8	1.6
Adjusted operating income	$ 41.7	$ 30.4
Other/Unallocated Corporate Costs		
GAAP Operating Loss	$ (58.3)	$ (24.6)
Acquisition-related costs	12.6	1.5
Pension and SERP settlement and curtailment losses	16.5	0.4
Loss on debt extinguishment	7.2	1.8
Other restructuring and non-routine costs	0.9	1.3
COVID-19 costs	0.3	0.6
Adjusted operating loss	$ (20.8)	$ (19.0)
Consolidated		
GAAP Operating Loss	$ (11.8)	$ (6.1)
Impairment and asset restructuring costs	37.3	57.8
Acquisition-related costs	18.4	1.5
Pension and SERP settlement and curtailment losses	17.4	1.6
Loss on debt extinguishment	7.2	1.9
Other restructuring and non-routine costs	1.9	4.2
COVID-19 costs	1.6	3.5
Adjusted operating income	$ 72.0	$ 64.4

In accordance with generally accepted accounting principles in the United States ("GAAP"), consolidated operating income includes the pre-tax effects impairment and asset restructuring costs, acquisition-related costs, pension and SERP settlement and curtailment losses, loss on debt extinguishment, COVID-19 costs and other restructuring and non-routine costs. We believe by adjusting reported operating income to exclude the effects of such items, the resulting adjusted operating income is on a basis that reflects the results of our ongoing operations. In assessing COVID-19 impacts, we only excluded costs that were unusual, incremental and directly attributable to mitigating the effects of COVID-19 on our operations. We believe that providing adjusted operating results will help investors gain an additional perspective of

underlying business trends and results. We use adjusted operating income among other measures in evaluating the operating performance of our business units and the performance of management personnel.

Adjusted operating income is not a recognized term under GAAP and should not be considered in isolation or as a substitute for operating income derived in accordance with GAAP. Other companies may use different methodologies for calculating their non-GAAP financial measures and, accordingly, our non-GAAP financial measures may not be comparable to their measures.

Additional Statement of Operations Commentary:

- SG&A expense of $101.4 million for the year ended December 31, 2021 was $13.4 million higher than 2020. The majority of the increase was due to additional SG&A from the Itasa Acquisition. In addition, costs in 2020 were lower due to significant actions taken to manage spending and temporarily reduce costs in areas including marketing, travel, payroll-related spending, including impacts of furloughs, headcount reductions and wage and hiring freezes.
- For the years ended December 31, 2021 and 2020, we incurred $17.9 million and $12.6 million of interest expense, respectively. The increase in interest expense relates to higher borrowing under the upsized Term Loan B and amortization of the associated deferred financing costs.
- Income tax expense (benefit) represented (16) percent of income (loss) before income taxes for both the years ended December 31, 2021 and 2020. In general, our effective tax rate differs from the U.S. statutory tax rate primarily due to impacts of changes in the mix of earnings in taxing jurisdictions with differing statutory rates, the impact of R&D and other tax credits, changes in tax laws and changes in corporate structure as a result of business acquisitions and dispositions.
- For the years ended December 31, 2021 and 2020, the effective income tax (benefit) rate of (16) percent in each year was significantly impacted by the effects of the $83.8 million and $70.5 million, respectively, of unusual costs for asset impairment and restructuring costs, losses from pension and SERP settlements, acquisition-related costs and losses on debt extinguishments (as detailed in the table on page 34), which resulted in consolidated pre-tax book losses. In addition, as a result of the impacts of COVID-19 and other factors, in 2021 and 2020, the Company recorded an increase to the valuation allowance against state tax credits and NOLs of $2.4 million and $4.7 million, respectively. In 2021, upon the permanent closure of the Appleton facility and termination of an intercompany royalty agreement, the Company wrote-off a deferred tax asset of $2.9 million which was no longer recoverable through future tax deductions.
- In March 2020, the U.S. government enacted the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). The CARES Act included various income and payroll tax provisions designed to stimulate the economy and provide relief to businesses. In 2020, the Company recorded an estimated income tax benefit of $0.9 million and a corresponding tax receivable for $8.0 million for the carryback tax refund. In 2021, when the federal tax return was filed, an additional income tax benefit of $1.4 million was recorded and the corresponding tax refund receivable was increased to $9.1 million. In 2020, the Company also elected the option to delay payment of $4.4 million of 2020 payroll taxes. One-half was paid on December 31, 2021 and the remainder will be paid on December 31, 2022.

Liquidity and Capital Resources

We believe that we have a strong financial position and the liquidity to withstand economic uncertainty during this volatile period, in consideration of the following:

- $23.9 million of cash and cash equivalents was on hand at December 31, 2021.
- As of December 31, 2021, we had $0.9 million of outstanding borrowings under our Global Revolving Credit Facility, with remaining availability of $146.1 million;
- We have no material near-term debt maturities, with our Global Revolving Credit Facility maturing December 2023 and our Term Loan B facility maturing April 2028;

	Year Ended December 31,	
	2021	2020
Net cash flow provided by (used in):		
Operating activities	$ 53.2	$ 93.4
Investing activities:		
Capital expenditures	(28.2)	(18.9)
Acquisition of Itasa	(240.2)	—
Proceeds from sale of property, plant and equipment	—	0.5
Other investing activities	4.1	(1.1)
Total investing activities	(264.3)	(19.5)
Financing activities	199.2	(47.0)
Effect of exchange rate changes on cash and cash equivalents	(1.3)	1.2
Net increase (decrease) in cash and cash equivalents	$ (13.2)	$ 28.1

Operating Cash Flow Commentary:

- Cash provided by operating activities of $53.2 million for the year ended December 31, 2021 was $40.2 million lower than cash provided by operating activities of $93.4 million in the prior year.The decrease resulted from the increase in working capital needs resulting from the 30 percent rebound in net sales in 2021 compared to the COVID-impacted level of business activity and spending in 2020. Also, we had significantly higher global tax payments in 2021 due to payment of one-half of the U.S. payroll taxes which had been deferred from 2020 and from higher foreign entities' taxable income.

Investing Cash Flow Commentary:

- For the years ended December 31, 2021 and 2020, cash used by investing activities was $264.3 million and $19.5 million, respectively.
- We acquired Itasa on April 6, 2021, for $240.2 million, net of cash on hand and repayment of existing debt, and including a loss on foreign currency forward contracts.
- Going forward, we expect aggregate annual capital expenditures to return to a range of approximately 4 to 5 percent of net sales. We believe that this level of capital spending can be funded from cash provided from operating activities and allows us to maintain the efficiency and cost effectiveness of our assets while also investing in expanded capabilities to successfully pursue strategic initiatives and deliver attractive returns.

Financing Cash Flow Commentary:

Our liquidity requirements are provided by cash generated from operations and short- and long-term borrowings.

- On April 6, 2021, in connection with the Itasa Acquisition, the Company entered into an Amendment and Restatement agreement which provides a seven-year Term Loan B facility in the initial principal amount of $450 million, which replaced the 2020 Term Loan B. The 2021 Term Loan B is repayable in equal quarterly installments which

commenced on September 30, 2021 in a aggregate annual amount equal to 1 percent of the original principal amount of the Term Loan B. Cash proceeds of borrowings on the closing date under the Term Loan B were used by the Company to pay cash consideration for the acquisition, including the repayment of certain existing debt of Itasa, and to pay fees and expenses in connection with the acquisition, the 2020 Term Loan B and the amendment of the ABL Credit Agreement. The Company recognized a $7.2 million loss on debt extinguishment in connection with the transaction.

- For the year ended December 31, 2021, cash provided by financing activities was $199.2 million compared to cash used by financing activities of $47 million for the prior year. This consisted of net borrowings of long-term debt, dividends paid, debt issuance cost, and share repurchases. We upsized our Term Loan B from $200 million to $450 million as a source of financing the Itasa Acquisition, resulting in net borrowings (repayments) of $246.9 million in 2021 compared to $(4.3) million in the prior year.
- For the year ended December 31, 2021, cash and cash equivalents decreased $13.2 million to $23.9 million at December 31, 2021 from $37.1 million at December 31, 2020. Total debt increased $246.9 million to $441.3 million at December 31, 2021 from $194.4 million at December 31, 2020. The increase in total debt reflects the borrowing for the Itasa Acquisition and the repayment of the 2020 Term Loan B. Net debt (total debt minus cash and cash equivalents) increased by $260.1 million.
- The Company currently has the following credit facilities:

Global Revolving Credit Facility

We have a $175 million asset-based revolving credit facility which is provided under our Fourth Amended and Restated Credit Agreement dated as of December 10, 2018 (as amended, the “Revolving Credit Agreement”) by and among the Company and certain of its domestic subsidiaries (the "Domestic Borrowers"), Neenah Services GmbH & Co. KG and certain of its German subsidiaries (the "German Borrowers"), certain other subsidiaries as the "German Guarantors", the financial institutions signatory to the Revolving Credit Agreement as lenders (the "Lenders"), and JPMorgan Chase Bank, N.A., as agent for the Lenders.

Our revolving credit facility consists of a $125 million secured revolving credit facility for the Domestic Borrowers (the "U.S. Revolving Credit Facility") and a $50 million secured, multicurrency revolving credit facility for the German Borrowers (the "German Revolving Credit Facility," and together with the U.S. Revolving Credit Facility, the "Global Revolving Credit Facility"). The Global Revolving Credit Facility, which matures on December 10, 2023, contains an accordion feature permitting one or more increases in the Global Revolving Credit Facility in an aggregate principal amount not exceeding $125 million, such that the aggregate commitments under the Global Revolving Credit Facility do not exceed $300 million. In addition, the Domestic Borrowers may request letters of credit under the U.S. Revolving Credit Facility in an aggregate face amount not to exceed $20 million outstanding at any time, and the German Borrowers may request letters of credit under the German Revolving Credit Facility in an aggregate face amount not to exceed $5 million outstanding at any time.

As of December 31, 2021, we had $0.9 million in borrowings and $0.3 million in letters of credit outstanding under our Global Revolving Credit Facility. See Note 7 of Notes to Consolidated Financial Statements, "Debt."

Term Loan B Facility

We have a $450 million secured term loan facility (the “Term Loan Facility” or the “Term Loan B”) provided under an Amendment and Restatement Agreement dated as of April 6, 2021 (the “Term Loan Credit Agreement”), by and among the Company, as borrower, certain of its domestic subsidiaries, as guarantors (the “Guarantors”, and together with the Company, the “Term Loan Parties”), a syndicate of banks, financial institutions and other entities as lenders (the “Term Loan B Lenders”), and JPMorgan Chase Bank, N.A., as administrative agent for the Term Loan B Lenders, amending and restating our June 30, 2020 Term Loan Credit Agreement and replacing our prior $200 million secured term loan facility provided thereunder (the “2020 Term Loan B”).

Under the terms of the Term Loan Credit Agreement, and subject to certain conditions and adjustments, the Company may from time to time solicit the Term Loan B Lenders or new lenders to provide incremental term loan financings under the Term Loan Credit Agreement up to $150 million in the aggregate.

The Term Loan B is repayable in equal quarterly installments commencing on September 30, 2021 in an aggregate annual amount equal to 1% of the original principal amount of the Term Loan B Facility (subject to certain reductions

in connection with debt prepayments and debt buybacks). The entire unpaid principal balance of the Term Loan B, together with all accrued and unpaid interest thereon, will be due and payable at maturity on April 6, 2028. See Note 7 of Notes to Consolidated Financial Statements, "Debt."

Cash proceeds of borrowings on the closing date under the Term Loan B were used by the Company to pay cash consideration for the Itasa Acquisition, including the repayment of certain existing debt of Itasa, and to pay fees and expenses in connection with the Acquisition, the Term Loan B and the amendment of the Global Revolving Credit Facility to permit the Itasa Acquisition. The Company recognized $ 7.2 million of loss on debt extinguishment in connection with the transaction.

Other Debt

In January 2013, Neenah Germany entered into a project financing agreement for the construction of a melt blown machine (the "Second German Loan Agreement"). The Second German Loan Agreement provided for €9.0 million of construction financing which is secured by the melt blown machine. The loan matures in September 2022 and principal is repaid in equal quarterly installments. At December 31, 2021, €0.9 million ($1.0 million, based on exchange rates at December 31, 2021) was outstanding under the Second German Loan Agreement.

In May 2018, Neenah Germany entered into a project financing agreement for construction of a regenerative thermal oxidizer (the "Third German Loan Agreement") to increase the capacity of the existing saturators and ensure compliance with new European air emission standards. The agreement provided for €5.0 million of financing and is secured by the asset. The loan matures in September 2022 and principal is repaid in 13 equal quarterly installments beginning in June 2019. The interest rate on amounts outstanding is 1.45 percent based on actual days elapsed in a 360-day year and is payable quarterly. At December 31, 2021, €0.8 million ($0.9 million, based on exchange rates at December 31, 2021) was outstanding under the Third German Loan Agreement.

- Availability under our Global Revolving Credit Facility varies over time depending on the value of our inventory, receivables and (in the case of the German Revolving Credit Facility) various capital assets. As of December 31, 2021, we had $0.9 million of borrowings, and $0.3 million of outstanding letters of credit, outstanding under our Global Revolving Credit Facility and $146.1 million of available credit (based on exchange rates at December 31, 2021).
- We have required debt payments in 2022 of $6.4 million on the Term Loan B and the Second and Third German Loan Agreements.
- As of December 31, 2021, our cash balance of $23.9 million consists of $0.4 million in the U.S. and $23.5 million held at entities outside of the U.S. As of December 31, 2021, there were no restrictions regarding the repatriation of our non-U.S. cash.

Transactions with Shareholders

- For the nine months ended September 30, 2021, we paid quarterly cash dividends of $0.47 per common share, and for the quarter ended December 31, 2021 we increased the quarterly cash dividend to $0.475 per common share, with full year cash dividend payments in the year ending December 31, 2021 totaling $31.9 million. For the year ended December 31, 2020, we paid quarterly cash dividends of $0.47 per common share or $31.9 million.
- In November 2020, our Board of Directors authorized a program for the purchase of up to $25 million of outstanding common stock effective January 1, 2021 ("Stock Purchase Plan"). The program does not expire or require the Company to purchase any specific number of shares and may be suspended or discontinued at any time. Purchases under the Stock Purchase Plan will be made from time to time in the open market or in privately negotiated transactions in accordance with the requirements of applicable law. The timing and amount of any purchases will depend on share price, market conditions and other factors. For the years ended December 31, 2021 and 2020, we acquired approximately 103,785 and 59,577 shares of Common Stock at a cost of $5.0 million and $3.6 million, respectively, related to the Stock Purchase Plan. For further details on our Stock Purchase Plans refer to Note 10 of Notes to Consolidated Financial Statements, "Stockholders' Equity."
- For the years ended December 31, 2021 and 2020, we acquired approximately 19,273 and 22,064 shares of Common Stock, respectively, at a cost of $1.0 million and $1.2 million, respectively, for shares surrendered by employees to pay taxes due on vested restricted stock awards and stock appreciation rights exercised.

- Under the terms of the Fourth Amended and Restated Credit Agreement, we are permitted to pay cash dividends on, and repurchase shares of, our common stock without limitation, as long as our specified excess availability under the Fourth Amended and Restated Credit Agreement exceeds the greater of (i) $20 million and (ii) 12.5 percent of our aggregate commitments under the Global Revolving Credit Facility (approximately $22 million as of December 31, 2021), on a pro forma basis after giving effect to such dividend or stock repurchase (as the case may be). If our specified excess availability, on a pro forma basis, is less than the applicable threshold, we are subject to certain restrictions on the amount of cash dividends we are permitted to declare and the amount of share repurchases we are permitted to execute. As of December 31, 2021, our availability was $146.1 million, so this restriction did not apply. See our availability under the Fourth Amended and Restated Credit Agreement in Note 7 of Notes to Consolidated Financial Statements, "Debt."
- Under the most restrictive terms of the Term Loan Credit Agreement, we are permitted to pay cash dividends and repurchase shares of our common stock in an aggregate amount not to exceed $8.75 million per fiscal quarter. However, as long as the total leverage ratio calculated in accordance with the Term Loan Credit Agreement does not exceed 3.0 to 1.0, we can pay dividends or repurchase shares without limitation. In the event the total leverage ratio exceeds 3.0 to 1.0, but is less than or equal to 4.0 to 1.0, we may still pay dividends or repurchase shares of our common stock in an aggregate amount in excess of $8.75 million per fiscal quarter by utilizing certain "restricted payment baskets" described in the Term Loan Credit Agreement. In addition, we would be permitted to pay cash dividends and repurchase shares of our common stock in excess of $8.75 million per fiscal quarter if the aggregate amount of such payments, together with the amount of redemptions or prepayments of certain indebtedness, is less than or equal to the greater of (i) $125 million and (ii) 15% of our consolidated tangible assets. As of December 31, 2021, our total leverage ratio was greater than 3.0 to 1.0, but below 4.0 to 1.0.

Material Cash Requirements

The following table shows our material cash requirements, described below, as of December 31, 2021:

(In millions)	2022	2023	2024	2025	2026	Beyond 2026	Total
Long-term debt payments	$ 6.4	$ 5.4	$ 4.5	$ 4.5	$ 4.5	$ 425.3	$ 450.6
Interest payments on long-term debt (a)	16.8	20.4	22.3	21.9	21.7	27.1	130.2
Open purchase orders (b)	116.5	—	—	—	—	—	116.5
Other post-employment benefits (c)	5.4	4.4	4.1	3.7	3.3	11.1	32.0
Finance Leases (d)	1.7	1.7	1.7	1.6	1.6	22.2	30.5
Operating leases (d)	4.1	3.6	3.1	2.6	2.2	7.1	22.7
Contributions to pension trusts and other benefit obligations (e)	4.5	1.8	2.2	1.9	1.7	9.7	21.8
Minimum purchase commitments (f)	5.7	3.8	3.0	1.4	—	—	13.9
Total	$ 161.1	$ 41.1	$ 40.9	$ 37.6	$ 35.0	$ 502.5	$ 818.2

(a) Interest payments on long-term debt includes interest on variable rate debt at December 31, 2021 weighted average interest rates.
(b) The open purchase orders displayed in the table represent amounts we anticipate will become payable within the next twelve months for goods and services that we have negotiated for delivery.
(c) The above table includes future payments that we will make for post-employment benefits other than pensions. Those amounts are estimated using actuarial assumptions, including expected future service, to project the future obligations.
(d) See Note 11 of Notes to Consolidated Financial Statements, "Leases."
(e) See Note 8 of Notes to Consolidated Financial Statements, "Pension and Other Post-employment Benefits."
(f) The minimum purchase commitments in 2022 are primarily for utilities and information technology contracts. Although we are primarily liable for payments on the above minimum purchase commitments, based on historic operating performance and forecasted future cash flows, we believe our exposure to losses, if any, under these arrangements is not material.

Other Items

- As of December 31, 2021, we had $30.8 million of U.S. federal and $7.7 million of U.S. state R&D Credits which, if not used, will expire between 2029 and 2041 for the U.S. federal R&D Credits and between 2022 and 2036 for the state R&D Credits. As of December 31, 2021, we had $69.9 million of state NOLs which may be used to offset state taxable income. The NOLs are reflected in the Consolidated Financial Statements as a deferred income tax asset of $4.2 million. If not used, substantially all of the NOLs will expire in various amounts between 2022 and 2041.
- Management believes that our ability to generate cash from operations and our borrowing capacity are adequate to fund working capital, capital spending and other cash needs for the next twelve months. Our ability to generate adequate cash from operations beyond 2021 will depend on, among other things, our ability to successfully implement our business strategies, control costs in line with market conditions and manage the impact of changes in input prices and currencies. We can give no assurance we will be able to successfully implement these items.

Adoption of New Accounting Pronouncements

See Note 2 of Notes to Consolidated Financial Statements, "Summary of Significant Accounting Policies — Recently Adopted Accounting Standards" for a description of accounting standards adopted in the year ended December 31, 2021.

Critical Accounting Policies and Use of Estimates

The preparation of financial statements in conformity with GAAP in the United States requires estimates and assumptions that affect the reported amounts and related disclosures of assets and liabilities at the date of the financial statements and net sales and expenses during the reporting period. Actual results could differ from these estimates, and changes in these estimates are recorded when known. The critical accounting policies used in the preparation of the consolidated financial statements are those that are important both to the presentation of financial condition and results of operations and require significant judgments with regard to estimates used. These critical judgments relate to the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of expenses.

The following summary provides further information about the critical accounting policies and should be read in conjunction with the notes to the consolidated financial statements. We believe that the consistent application of our policies provides readers of our financial statements with useful and reliable information about our operating results and financial condition.

We have discussed the application of these critical accounting policies with the Audit Committee of our Board of Directors.

Inventories

We value U.S. inventories at the lower of cost, using the last-in, first-out ("LIFO") method, or market. German and Dutch inventories are valued at the lower of cost, using a weighted-average cost method, or net realizable value. The first-in, first-out ("FIFO") value of U.S. inventories valued on the LIFO method was $95.4 million and $88.5 million at December 31, 2021 and 2020, respectively and exceeded such LIFO value by $16.6 million and $6.4 million, respectively. Cost includes labor, materials and production overhead. Under the LIFO inventory valuation method, changes in the cost of raw materials and production activities are recognized in cost of sales in the current period even though these materials and other costs may have been incurred at significantly different values due to the length of time of our production cycle. Since we value most of our inventory utilizing the LIFO inventory costing methodology, rapid changes in raw material costs have an immediate impact on our operating results.

Income Taxes

Significant judgment is required in determining our global provision for income taxes and recording the related tax assets and liabilities. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is less than certain. Our effective income tax rates include the tax effects of certain special items, such as R&D Credits, foreign tax rate differences, tax effects of foreign financing structures, changes in statutory tax rates and excess tax benefits from stock compensation. While we believe that these judgments and estimates are appropriate and reasonable under the circumstances, actual resolution of these matters may differ from recorded estimated amounts.

As of December 31, 2021 and 2020, our liability for uncertain income taxes positions was $8.5 million and $8.0 million, respectively. The determination of our provision for income taxes requires considerable judgment, the use of estimates, and the interpretation and application of complex tax laws. Significant judgment is also required in assessing the timing and amounts of deductible and taxable items and the probability of sustaining uncertain tax positions. Uncertain tax positions occur, and a resulting income tax liability is recorded when management concludes that an income tax position fails to achieve a more likely than not recognition threshold. When this occurs, the amount of tax benefits recognized may differ from the amount taken or expected to be taken on a tax return. These differences represent unrecognized tax benefits and are reviewed at each reporting period based on facts, circumstances, available evidence and applicable laws. We recognize interest and penalties, if any, related to uncertain tax positions as a component of the provision for income taxes.

As of December 31, 2021 and 2020, the Company had $5.3 million and $5.3 million of foreign tax credits, all of which the Company believes will expire unutilized. Therefore, as of December 31, 2021 and 2020, the Company recorded a valuation allowance which was equal to the balance of the deferred income tax asset. As of December 31, 2021 and 2020, the Company also had a valuation allowance of $9.1 million and $6.4 million, respectively, against the gross value of its state tax credits and NOLs. Including the federal benefit of state taxes, the net valuation allowance reflected on the consolidated balance sheets was $7.2 million and $5.1 million as of December 31, 2021 and 2020, respectively. In determining the need for a valuation allowance, the Company considers many factors, including specific taxing jurisdictions, sources of taxable income, income tax strategies and forecasted earnings for the entities in each jurisdiction. A valuation allowance is recognized if, based on the weight of available evidence, the Company concludes that it is more likely than not that some portion or all of the deferred income tax asset will not be realized.

Pension and Other Post-employment Benefits

Consolidated pension expense for defined benefit pension plans was $18.7 million, $4.0 million and $3.7 million for the years ended December 31, 2021, 2020 and 2019, respectively. See Note 8, "Pension and Other Post-employment Benefits" for components of net periodic benefit cost, including a discussion of the $17.4 million of settlement and curtailment losses in 2021. Accounting for defined benefit pension plans requires various assumptions, including, but not limited to, discount rates, expected long-term rates of return on plan assets, future compensation growth rates and mortality rates. Accounting for our post-employment benefit plans also requires various assumptions, which include, but are not limited to, discount rates and annual rates of increase in the per capita costs of health care benefits.

The following chart summarizes the more significant assumptions used in the actuarial valuation of our defined benefit plans for each of the past three years:

	2021	2020
Pension plans		
Weighted average discount rate for benefit expense	2.53 %	2.98 %
Weighted average discount rate for benefit obligation	2.58 %	2.28 %
Expected long-term rate on plan assets	4.90 %	5.42 %
Rate of compensation increase for benefit expense	1.54 %	2.05 %
Post-employment benefit plans		
Weighted average discount rate for benefit expense	1.67 %	2.68 %
Weighted average discount rate for benefit obligation	2.25 %	1.67 %
Health care cost trend rate assumed for next year	5.20 %	5.25 %
Ultimate cost trend rate	4.00 %	4.50 %
Year that the ultimate cost trend rate is reached	2045	2037

The discount (or settlement) rate that is utilized for determining the present value of future pension obligations in the U.S. is generally based on the yield for a theoretical basket of AA-rated corporate bonds currently available in the market place, whose duration matches the timing of expected pension benefit payments. The discount (or settlement) rate that is utilized for determining the present value of future pension obligations in Germany is generally based on the IBOXX index of AA-rated corporate bonds adjusted to match the timing of expected pension benefit payments.

The expected long-term rate of return on pension fund assets held by our pension trusts was determined based on several factors, including input from pension investment consultants and projected long-term returns of broad equity and bond indices. We also considered the plans' historical 10-year and 15-year compounded annual returns. We evaluate our investment strategy and long-term rate of return on pension asset assumptions at least annually.

For the years ended December 31, 2021, 2020 and 2019, consolidated post-employment health care and life insurance plan benefit expense was $3.0 million, $2.9 million and $3.6 million, respectively. The discount (or settlement) rate that is utilized for determining the present value of future post-employment health care and life insurance plan benefit obligations in the U.S. is generally based on the yield for a theoretical basket of AA-rated corporate bonds currently available in the market place, whose duration matches the timing of expected post-employment health care and life insurance benefit payments. The discount (or settlement) rate that is utilized for determining the present value of future post-employment health care and life insurance obligations for our foreign benefit plans is generally based on an index of AA-rated corporate bonds adjusted to match the timing of expected benefit payments.

We evaluate these assumptions at least once each year or as facts and circumstances dictate and we make changes as conditions warrant. Changes to these assumptions will increase or decrease our reported net periodic benefit expense, which will result in changes to the recorded benefit plan assets and liabilities.

Useful Life and Impairment of Long-Lived Assets

Property, Plant and Equipment

For financial reporting purposes, depreciation is principally computed on the straight-line method over estimated useful asset lives. The weighted average remaining useful lives for buildings, land improvements and machinery and equipment are approximately 17 years, 19 years and 9 years respectively.

Property, plant and equipment are tested for impairment in accordance with ASC Topic 360, *Property, Plant, and Equipment* ("ASC Topic 360"), whenever events or changes in circumstances indicate that the carrying amounts of such long-lived assets may not be recoverable from future net pre-tax cash flows. Impairment testing requires significant management judgment including estimating the future success of product lines, future sales volumes, growth rates for selling prices and costs, alternative uses for the assets and estimated proceeds from disposal of the assets. Impairment testing is conducted at the lowest level where cash flows can be measured and are independent of cash flows of other assets. An asset impairment would be indicated if the sum of the expected future net pre-tax cash flows from the use of the asset (undiscounted and without interest charges) is less than the carrying amount of the asset. An impairment loss would be measured based on the difference between the fair value of the asset and its carrying amount. We estimate fair value based on an expected present value technique using multiple cash flow scenarios that reflect a range of possible outcomes and a risk free rate.

The estimates and assumptions used in the impairment analysis are consistent with the business plans and estimates we use to manage our business operations. The use of different assumptions would increase or decrease the estimated fair value of the asset and would increase or decrease the impairment charge. Actual outcomes may differ from the estimates.

In June 2021, the Company's Board of Directors approved the permanent closure of the Appleton facility used in the Technical Products segment. The closure of the facility was substantially complete by the end of the third quarter. In connection with the closure, the Company reduced the carrying value of the facility's assets to an estimated salvage value of $10.5 million, which resulted in a non-cash impairment loss of $32.4 million. In addition, the Company recorded $4.9 million of other restructuring charges, including reserves for obsolete inventory, severance costs and environmental exposures.

During the year ended December 31, 2020, the Company recorded asset restructuring and impairment costs of $55.3 million, of which $52.3 million related to a non-cash impairment loss for long-lived assets used primarily in the Technical Products segment, including $51.0 million for the Appleton facility. The other charge of $3.0 million arose from

accelerated depreciation due to the idling of assets and related employee termination benefits for a workforce reduction in the Fine Paper and Packaging segment. See Note 13 of Notes to Consolidated Financial Statements, "Assets Held For Sale and Impairment and Asset Restructuring Costs" for further discussion.

Goodwill and Other Intangible Assets with Indefinite Lives

We test goodwill for impairment at least annually in conjunction with preparation of Neenah's annual business plan, or more frequently if events or circumstances indicate it might be impaired.

We tested goodwill for impairment as of November 30, 2021 under ASC Topic 350, *Intangibles — Goodwill and Other* ("ASC Topic 350"). The Company elected the option under ASC Topic 350 to perform a qualitative assessment of the Company's reporting units to determine whether further impairment testing was necessary. In this qualitative assessment, the Company considered the following items for each of the reporting units: macroeconomic conditions, industry and market conditions, overall financial performance and other entity specific events. In addition, for each of these reporting units, the most recent fair value determination resulted in an amount that exceeded the carrying amount of the reporting units. Based on these assessments, the Company determined that the likelihood that a current fair value determination would be less than the current carrying amount of the reporting units is not more likely than not. There was no impairment in the carrying value of goodwill for the years ended December 31, 2021.

Other Intangible Assets

Certain trade names are estimated to have indefinite useful lives and as such are not amortized. Intangible assets with indefinite lives are annually reviewed for impairment in accordance with ASC Topic 350.

Acquired intangible assets with finite useful lives are amortized on a straight-line basis over their respective estimated useful lives, and reviewed for impairment in accordance with ASC Topic 360. Intangible assets consist primarily of customer relationships, trade names and acquired intellectual property. Such intangible assets are amortized using the straight-line method over estimated useful lives of between 7 and 15 years.

During the second quarter of 2020, we recorded an impairment loss for indefinite-lived intangible assets (brand names) of $0.9 million and $0.4 million in the Fine Paper and Packaging and Technical Products segments, respectively, due to the adverse impacts of the COVID-19 pandemic. See Note 13, "Assets Held For Sale and Impairment and Asset Restructuring Costs." Our annual test of other intangible assets for impairment at November 30, 2021, 2020, and 2019 indicated that the carrying amount of such assets was recoverable.

Acquisition Accounting

We account for acquisitions under ASC Topic 805, *Business Combinations* ("ASC Topic 805") which requires companies to record assets acquired and liabilities assumed at their respective fair market values at the date of acquisition. The accounting for acquisitions involves a considerable amount of judgment and estimates, including the fair value of certain forms of consideration; fair value of acquired intangible assets involving projections of future revenues and cash flows that are then either discounted at an estimated discount rate or measured at an estimated royalty rate; fair value of other acquired assets and assumed liabilities, including potential contingencies; and the useful lives of the acquired assets. The assumptions used are determined at the time of the acquisition in accordance with accepted valuation models. Projections are developed using internal forecasts, available industry and market data and estimates of long-term rates of growth for our business. The impact of prior or future acquisitions on our financial position or results of operations may be materially impacted by the change in or initial selection of assumptions and estimates.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

As a multinational enterprise, we are exposed to market risks such as changes in commodity prices, foreign currency exchange rates, and interest rates. A variety of practices are employed to manage these risks, including operating and financing activities.

Presented below is a description of our most significant market risks.

Commodity Risk

Pulp

We purchase the wood pulp used to produce our products on the open market, and, as a result, the price and other terms of those purchases are subject to change based on factors such as worldwide supply and demand and government regulation. We do not have significant influence over the price paid for our wood pulp purchases. Therefore, an increase in wood pulp prices could adversely affect earnings if prices for our products are not increased or if such increases significantly trail the increases in wood pulp prices.

Based on our current quantity of pulp purchases, a $100 per ton increase in the average market price for pulp would have increased our annual costs for pulp by approximately $19 million.

Other Manufacturing Inputs

We purchase a substantial portion of the other manufacturing inputs necessary to produce our products on the open market, and, as a result, the price and other terms of those purchases are subject to change based on factors such as worldwide supply and demand and government regulation. We do not have significant influence over our costs for such manufacturing inputs. Therefore, an increase in manufacturing inputs could adversely affect earnings if prices for our products are not increased or if such increases significantly trail the increases in manufacturing inputs.

Our technical products business acquires certain specialized pulp from two global suppliers and certain critical specialty chemicals from a limited number of suppliers. In general, these supply arrangements are covered by formal contracts and represent multi-year business relationships that have historically been sufficient to meet our needs. We expect these relationships to continue to operate in a satisfactory manner in the future. In the event of an interruption of production at any one supplier, we believe that each of these suppliers individually would be able to satisfy our short-term requirements for specialized pulp or specialty chemicals. In addition, short-term disruptions in the global supply chain for our raw materials, as experienced in 2021, could negatively impact our ability to produce certain products which could adversely impact the mix and volume of products we can provide to our customers. In the event of a long-term disruption in our supply of specialized pulp or specialty chemicals, we believe we would be able to substitute other pulp grades or other specialty chemicals that would allow us to meet required product performance characteristics and incur only a limited disruption in our production. As a result, we do not believe that the substitution of such alternative pulp or specialty chemicals would have a material effect on our operations in the long run.

We have the ability to generate substantially all of the electrical energy used by our Munising mill and approximately 30 percent of the electrical energy at our Bruckmühl, Germany mill. Availability of energy is not expected to be a problem in the foreseeable future, but the purchase price of such energy can and likely will fluctuate significantly based on fluctuations in demand and other factors. There is no assurance that that we will be able to obtain electricity or natural gas purchases on favorable terms in the future.

Except for certain specialty pulp grades and specialty chemicals used by our technical products business, we are not aware of any significant concentration of business transacted with a particular supplier.

Our transportation costs are affected by various market factors as previously discussed under Item 1A, "Risk Factors." We do not have significant influence over our transportation prices. Therefore, as we experienced in 2021, an increase in transportation costs could adversely affect earnings if prices for our products are not increased or if such increases significantly trail the increases in transportation costs.

Foreign Currency Risk

Our reported operating results are affected by changes in the exchange rates of the local currencies of our non-U.S. operations relative to the U.S. dollar. A hypothetical 10 percent strengthening of the U.S dollar relative to the local currencies of our non-U.S. operations would change our income before income taxes by approximately $4.0 million. We do not hedge our exposure to exchange risk on reported operating results.

The translation of the balance sheets of our non-U.S. operations from their local currencies into U.S. dollars is also sensitive to changes in the exchange rate of the U.S. dollar. Consequently, we perform a sensitivity test to determine if changes in the exchange rate would have a significant effect on the translation of the balance sheets of our non-U.S. operations into U.S. dollars. These translation gains or losses are recorded as unrealized translation adjustments, a component of accumulated other comprehensive income (loss) within stockholders' equity. The hypothetical change in unrealized translation adjustment is calculated by multiplying the net assets of our non-U.S. operations by a 10 percent change in the exchange rate of their local currencies compared to the U.S. dollar. As of December 31, 2021, the net assets of our non-U.S. operations exceeded their net liabilities by approximately $431 million. As of December 31, 2021, a 10 percent strengthening of the U.S. dollar relative to the local currencies of our non-U.S. operations would have reduced our stockholders' equity by approximately $43 million.

Interest Rate Risk

We are exposed to interest rate risk on our variable rate bank debt. At December 31, 2021, we had $448.7 million of variable rate borrowings outstanding. A 100 basis point increase in interest rates would increase our annual interest expense on outstanding variable rate borrowings by approximately $4.5 million.

We believe these risks can be managed and will not have a material effect on our business or our consolidated financial position, results of operations or cash flows.

Item 8. Financial Statements and Supplementary Data

The information required in Item 8 is contained in and incorporated herein by reference from pages F-1 through F-54 of this Annual Report on Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Our management, with the participation of its Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of the end of the period covered by this report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by us in the reports that we file or submit under the Exchange Act and are effective in ensuring that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining effective internal control over financial reporting as defined in Rules 13a-15(f) or 15a-15(f) under the Exchange Act. The Company's internal control over financial reporting is designed to provide reasonable assurance to our management and Board of Directors regarding the preparation and fair presentation of published financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2021. The scope of management's assessment of the effectiveness of internal control over financial reporting included all of the Company's businesses for the year ended December 31, 2021, except for the Itasa business acquired in April 2021. The Itasa business constituted 29 percent of total assets and 10 percent of revenues of the consolidated financial statement amounts as of and for the year ended December 31, 2021. Further discussion of this acquisition can be found in Note 4, "Business Acquisition", to our consolidated financial statements. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control — Integrated Framework (2013). Based upon its assessment, management believes that as of December 31, 2021, the Company's internal controls over financial reporting were effective.

The effectiveness of internal control over financial reporting as of December 31, 2021, has been audited by Deloitte & Touche LLP, the independent registered public accounting firm who also audited our consolidated financial statements. Deloitte & Touche's attestation report on the Company's internal control over financial reporting is included herein. See Item 15, "Exhibits and Financial Statement Schedule."

Neenah, Inc.

February 18, 2022

Changes in Internal Control Over Financial Reporting

There has been no significant change in the Company's internal control over financial reporting during the three months ended December 31, 2021 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors and Executive Officers of the Registrant

The information required to be set forth herein, except for the information included under Executive Officers of the Company below, relating to nominees for director of Neenah and compliance with Section 16(a) of the Securities Exchange Act of 1934 is set forth under the captions "Election of Directors", "Meetings and Committees of the Board of Directors", "Corporate Governance" and "Section 16(a) Beneficial Ownership Reporting Compliance", respectively, in the Proxy Statement for the Annual Meeting of Stockholders ("Annual Meeting") to be held on May 19, 2022. Such information is incorporated herein by reference. The definitive Proxy Statement will be filed with the Securities and Exchange Commission no later than 120 days after December 31, 2021.

Executive Officers of the Company

Set forth below is information concerning our executive officers.

Name	Position
Julie A. Schertell	President, Chief Executive Officer and Director
Paul F. DeSantis	Executive Vice President, Chief Financial Officer and Treasurer
Kingsley E. Shannon	Executive Vice President, Segment President, Fine Paper and Packaging
Jason T. Free	Executive Vice President, Global Operations
Noah S. Benz	Executive Vice President, General Counsel and Secretary
Michael W. Rickheim	Executive Vice President, Chief Human Resources Officer and Chief Administrative Officer
Larry N. Brownlee	Vice President, Controller and Principal Accounting Officer

Julie A. Schertell, born in 1969, is President and Chief Executive Officer and serves as a Director. She has been in that role since May 2020. Prior to becoming President and Chief Executive Officer, Ms. Schertell served as our Senior Vice President, Chief Operating Officer since January 2020. Ms. Schertell joined Neenah in 2008 and served as Vice President of Sales and Marketing for the Fine Paper division through December 2010, as a Senior Vice President and President, Fine Paper and Packaging through September 2018, and as a Senior Vice President and President, Technical Products through December 2019. Ms. Schertell was employed by Georgia-Pacific Corporation in the Consumer Products Retail division, where she served as Vice President of Sales Strategy from 2007-2008, and as Vice President of Customer Solutions from 2003 through 2007.

Paul F. DeSantis, born in 1964, is Executive Vice President, Chief Financial Officer and Treasurer and has been in that role since May 2020. Prior to joining Neenah, Mr. DeSantis served as Chief Financial Officer and Treasurer of OMNOVA Solutions Inc., a global producer of emulsion polymers, specialty chemicals, and decorative and functional surfaces. Mr. DeSantis has also served as Chief Financial Officer, Treasurer and Assistant Corporate Secretary of Bob Evans Farms, Inc. and as Chief Financial Officer of the A. Schulman Company. Mr. DeSantis also held a number of executive leadership roles with the Scotts-Miracle-Gro Company, culminating in his role as Vice President and Corporate Treasurer.

Kingsley E. Shannon, born in 1974, is Executive Vice President, Segment President, Fine Paper and Packaging and has been in that role since July 2020. Prior to this role, Ms. Shannon served as our Vice President, Consumer Sales and Marketing & Global Marketing Services since December of 2017. Ms. Shannon joined Neenah in February 2014 and has held various roles of increasing responsibility, including Vice President of Marketing & Global Marketing Services in 2015 through 2017 and Director of Marketing in 2014 and 2015. Prior to joining Neenah, Ms. Shannon was employed by Newell Brands, Inc. in various Marketing Leadership positions and Maytag Corporation (now Whirlpool Corporation) in various Sales and Marketing positions.

Jason T. Free, born in 1969, is Executive Vice President, Global Operations and has been in that role since January 2021. Prior to this role, Mr. Free was the Vice President of Global Operations from August 2020 to December 2020, Vice President of North American Operations from February 2020 to August 2020, and Vice President of Fine Paper & Packaging Supply Chain from January 2018 to February 2020. Mr. Free joined Neenah in 2006 and has served in various operations leadership roles across multiple facilities in the Fine Paper & Packaging division through December

2017. Prior to joining Neenah, Mr. Free was employed by Stora Enso as a Global Customer Solutions Engineer and Wausau Paper as a Manufacturing Manager. Mr. Free earned his Bachelor of Science degree in Paper Science and Engineering from the University of Wisconsin-Stevens Point.

Noah S. Benz, born in 1973, is Executive Vice President, General Counsel and Secretary and has been in that role since August 2018. Mr. Benz served as Neenah's Vice President, Deputy General Counsel and Assistant Secretary from 2010 through 2018 and Associate General Counsel from 2005 through 2010. Prior to his employment with Neenah, Mr. Benz served as Associate General Counsel for Mariner Health Care, Inc., a nursing home and long-term acute care hospital company. Mr. Benz engaged in the private practice of law with Nelson, Mullins, Riley & Scarborough and Chamberlain Hrdlicka from 1998 through 2003. Mr. Benz received his JD, with honors, from the Emory University School of Law in 1998.

Michael W. Rickheim, born in 1974, is Executive Vice President, Chief Human Resources Officer and Chief Administrative Officer and has been in that role since April 2020. Prior to joining Neenah, Mr. Rickheim served as the Chief Human Resources Officer for Newell Brands, Inc., where he held various roles of increasing responsibility related to HR business partnership, talent acquisition, talent development, employee engagement, inclusion & diversity and communications.

Larry N. Brownlee, born in 1956, is Vice President, Controller and Principal Accounting Officer and has been in that role since July 2004. From 1990 to 2004, Mr. Brownlee served as Controller of several public companies in the electric utility, telephone and healthcare industries. From 1979 to 1990, Mr. Brownlee was with Arthur Andersen & Co. and provided audit services to clients primarily in the manufacturing, utility and healthcare industries. Mr. Brownlee is a Certified Public Accountant and received his Masters of Accountancy from the University of Georgia in 1979.

There are no family relationships among our directors or executive officers.

Code of Ethics

The Neenah, Inc. Code of Business Conduct and Ethics, applies to all directors, officers and employees of Neenah. The Code of Business Conduct and Ethics meets the requirements of a "code of ethics" as defined by Item 406 of Regulation S-K, and applies to our Chief Executive Officer, Chief Financial Officer (our principal financial officer) and Vice President, Controller (our principal accounting officer), as well as all other employees, as indicated above. The Code of Business Conduct and Ethics also meets the requirements of a code of conduct under New York Stock Exchange listing standards. The Code of Business Conduct and Ethics is posted on our web site at www.neenah.com under the links "Investor Relations — Corporate Governance — Code of Ethics" and print copies are available upon request without charge. You can request print copies by contacting our General Counsel in writing at Neenah, Inc., 3460 Preston Ridge Road, Suite 600, Alpharetta, Georgia 30005 or by telephone at 678-566-6500. We intend to disclose any amendments to the Code of Business Conduct and Ethics, as well as any waivers for executive officers or directors, on our web site at www.neenah.com. Information on our web site is not incorporated by reference in this document.

Item 11. Executive Compensation

Information relating to executive compensation and other matters is set forth under the captions "Compensation, Discussion and Analysis", "Additional Executive Compensation", "Director Compensation", and "Compensation Committee Report" in the Proxy Statement referred to in Item 10 above. Such information is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Information relating to ownership of common stock of Neenah by certain persons is set forth under the caption "Security Ownership of Certain Beneficial Owners and Management" in the Proxy Statement referred to in Item 10 above. Such information is incorporated herein by reference. Information regarding securities authorized for issuance under equity compensation plans of Neenah is set forth under the caption "Equity Compensation Plan Information" in the Proxy Statement referred to in Item 10 above. Such information is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions and Director Independence

Information relating to existing or proposed relationships or transactions between Neenah and any affiliate of Neenah is set forth under the caption "Certain Relationships and Related Transactions" in the Proxy Statement referred to in Item 10 above. Such information is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

Information relating to Neenah's principal accounting fees and services is set forth under the caption "Independent Registered Public Accounting Firm Fees and Services" in the Proxy Statement referred to in Item 10 above. Such information is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedule

(a) Documents filed as part of this report:

1. Consolidated Financial Statements

The following reports and financial statements are filed herewith on the pages indicated:

	Page
Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting	F-2
Report of Independent Registered Public Accounting Firm	F-3
Consolidated Statements of Operations	F-5
Consolidated Statements of Comprehensive Income	F-6
Consolidated Balance Sheets	F-7
Consolidated Statements of Changes in Stockholders' Equity	F-8
Consolidated Statements of Cash Flows	F-9
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2. Financial Statement schedule

The following schedule is filed herewith:

Schedule II — Valuation and Qualifying Accounts F-55

All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and, therefore, have been omitted.

3. Exhibits

See (b) below

(b) Exhibits

The following exhibits are filed with or incorporated by reference in this report. Where such filing is made by incorporation by reference to a previously filed registration statement or report, such registration statement or report is identified in parentheses. We will furnish any exhibit at no cost upon written request to us at: Investor Relations, Neenah, Inc., 3460 Preston Ridge Road, Suite 600, Alpharetta, Georgia 30005.

Exhibit Number	Exhibit
2.1	Interest Purchase Agreement by and among ASP FiberMark Holdings, LLC, ASP FiberMark, LLC, Neenah FMK Holdings, LLC and Neenah Paper, Inc. dated as of July 16, 2015 (filed as Exhibit 2.1 to the Neenah Paper, Inc. Quarterly Report on Form 10-Q for the three months ended September 30, 2015, filed November 9, 2015 and incorporated herein by reference).
2.2	Asset Purchase Agreement, by and among Neenah Paper, Inc., Wausau Paper Corp. and Wausau Paper Mills, LLC, dated as of December 7, 2011 (filed as Exhibit 2.1 to the Neenah Paper, Inc. Current Report on Form 8-K filed January 31, 2012 and incorporated herein by reference).

Exhibit Number	Exhibit
2.3 +	Securities Purchase Agreement by and among Crane Technical Materials, Inc., Crane & Co., Inc., Neenah Paper, Inc. and Neenah Filtration, LLC dated as of June 2, 2014 (filed as Exhibit 2.1 to the Neenah Paper, Inc. Quarterly Report on Form 10-Q for the three months ended June 30, 2014, filed August 7, 2014) (confidential treatment has been granted for certain portions of this exhibit pursuant to a Confidential Treatment Request filed with the Securities Exchange Commission).
2.4	Sale and Purchase and Assignment Agreement, dated March 1, 2021, by and among Neenah, Inc., Barbel, S.À R.L. and Uzturre Capital, S.L. (filed as Exhibit 2.1 to the Neenah, Inc. Current Report on Form 8-K filed April 7, 2021 and incorporated herein by reference).
3.1	Amended and Restated Certificate of Incorporation of Neenah Paper, Inc. (filed as Exhibit 3.1 to the Neenah Paper, Inc. Current Report on Form 8-K filed November 30, 2004 and incorporated herein by reference).
3.2	Second Amended and Restated Bylaws of Neenah, Inc. (filed as Exhibit 3.2 to the Neenah, Inc. Current Report on Form 8-K filed January 3, 2018 and incorporated herein by reference).
4.1	Description of the Company's Securities (filed as Exhibit 4.3 to the Neenah, Inc. Annual Report on Form 10-K for the year ended December 31, 2019, filed February 21, 2020 and incorporated herein by reference).
10.1	Tax Sharing Agreement dated as of November 30, 2004 by and between Kimberly-Clark Corporation and Neenah Paper, Inc. (filed as Exhibit 10.2 to the Neenah Paper, Inc. Current Report on Form 8-K filed November 30, 2004 and incorporated herein by reference).
10.3*	Neenah Paper Supplemental Pension Plan (filed as Exhibit 10.5 to the Neenah Paper, Inc. Annual Report on Form 10-K for the year ended December 31, 2012, filed March 7, 2013 and incorporated herein by reference).
10.4*	First Amendment to Neenah Paper Supplemental Pension Plan (filed as Exhibit 10.31 to the Neenah Paper, Inc. Annual Report on Form 10-K for the year ended December 31, 2013, filed on March 4, 2014 and incorporated herein by reference).
10.5*	Neenah Paper Amended and Restated Supplemental Retirement Contribution Plan, effective as of January 1, 2016 (filed as Exhibit 10.5 to the Neenah Paper, Inc. Annual Report on Form 10-K for the year ended December 31, 2016, filed on February 24, 2017 and incorporated herein by reference).
10.6*	Neenah Paper Executive Severance Plan (filed as Exhibit 10.7 to the Neenah Paper, Inc. Annual Report on Form 10-K for the year ended December 31, 2012, filed March 7, 2013 and incorporated herein by reference).
10.7*	First Amendment to Neenah Paper Executive Severance Plan (filed as Exhibit 10.33 to the Neenah Paper, Inc. Annual Report on Form 10-K for the year ended December 31, 2013, filed on March 4, 2014 and incorporated herein by reference).
10.8*	Neenah Paper, Inc. Amended and Restated 2004 Omnibus Stock and Incentive Compensation Plan (filed as Annex A to the Neenah Paper, Inc. Definitive Proxy Statement on Schedule 14A filed April 12, 2013 and incorporated herein by reference).
10.9*	Neenah Paper Deferred Compensation Plan approved on December 11, 2006 (filed as Exhibit 10.21 to the Neenah Paper, Inc. Annual Report on Form 10-K for the year ended December 31, 2012, filed March 7, 2013 and incorporated herein by reference).
10.10*	Neenah Paper Directors' Deferred Compensation Plan approved on December 11, 2006. (filed as Exhibit 10.22 to the Neenah Paper, Inc. Annual Report on Form 10-K for the year ended December 31, 2012, filed March 7, 2013 and incorporated herein by reference).
10.11*	Amended and Restated Neenah Executive Severance Plan (filed as Exhibit 10.1 to the Neenah, Inc. Current Report on Form 8-K filed on April 25, 2017 and incorporated herein by reference)
10.12*	Neenah, Inc. 2018 Omnibus Stock and Incentive Compensation Plan (filed as Appendix A to the Neenah, Inc. Definitive Proxy Statement on Schedule 14A filed on April 13, 2018 and incorporated herein by reference)
10.13	Fourth Amended and Restated Credit Agreement dated December 10, 2018 by and among Neenah, Inc., certain of its subsidiaries, the lenders listed therein and JPMorgan Chase Bank, N.A., as agent for the Lenders (filed as Exhibit 10.19 to the Neenah, Inc. Annual Report on Form 10-K filed on February 22, 2019 and incorporated herein by reference)
10.14	First Amendment, dated as of February 28, 2019, to the Fourth Amended and Restated Credit Agreement dated December 10, 2018 by and among Neenah, Inc., certain of its subsidiaries, the lenders listed therein and JPMorgan Chase Bank, N.A., as agent for the Lenders (filed as Exhibit 10.1 to the Neenah, Inc. Quarterly Report on Form 10-Q, filed May 3, 2019 and incorporated herein by reference)
10.15*	Form of Restricted Stock Unit Award Agreement (retirement) (filed as Exhibit 99.3 to the Neenah, Inc. Current Report on Form 8-K, filed February 1, 2019 and incorporated herein by reference)
10.16*	Form of Performance Share Unit Award Agreement (filed as Exhibit 10.1 to the Neenah, Inc. Quarterly Report on Form 10-Q, filed August 7, 2019 and incorporated herein by reference)

Exhibit Number	Exhibit
10.17*	Form of Restricted Stock Unit Award Agreement (A - standard award) (filed as Exhibit 10.2 to the Neenah, Inc. Quarterly Report on Form 10-Q, filed August 7, 2019 and incorporated herein by reference)
10.18*	Form of Restricted Stock Unit Award Agreement (B - standard award) (filed as Exhibit 10.3 to the Neenah, Inc. Quarterly Report on Form 10-Q, filed August 7, 2019 and incorporated herein by reference)
10.19*	Form of Performance Share Unit Award Agreement (filed as Exhibit 10.2 to the Neenah, Inc. Quarterly Report on Form 10-Q, filed May 11, 2020 and incorporated herein by reference)
10.20*	Form of Restricted Stock Unit Award Agreement (filed as Exhibit 10.3 to the Neenah, Inc. Quarterly Report on Form 10-Q, filed May 11, 2020 and incorporated herein by reference)
10.21*	Form of Restricted Stock Unit Award Agreement (filed as Exhibit 10.4 to the Neenah, Inc. Quarterly Report on Form 10-Q, filed May 11, 2020 and incorporated herein by reference)
10.22	Second Amendment, dated as of March 12, 2020, to the Fourth Amended and Restated Credit Agreement dated December 10, 2018 by and among Neenah, Inc., certain of its subsidiaries, the lenders listed therein and JPMorgan Chase Bank, N.A., as agent for the Lenders (filed as Exhibit 10.1 to the Neenah, Inc. Quarterly Report on Form 10-Q, filed May 11, 2020 and incorporated herein by reference)
10.23	Third Amendment, dated as of June 30, 2020, to the Fourth Amended and Restated Credit Agreement dated December 10, 2018 by and among Neenah, Inc., certain of its subsidiaries, the lenders listed therein and JPMorgan Chase Bank, N.A., as agent for the Lenders (filed as Exhibit 10.2 to the Neenah, Inc. Quarterly Report on Form 10-Q, filed August 5, 2020 and incorporated herein by reference)
10.24	Fourth Amendment, dated April 6, 2021, to the Fourth Amended and Restated Credit Agreement dated December 10, 2018 by and among Neenah, Inc., certain of its subsidiaries, the lenders listed therein and JPMorgan Chase Bank, N.A., as agent for the Lenders (filed as Exhibit 10.2 to the Neenah, Inc. Quarterly Report on Form 10-Q, filed May 6, 2021 and incorporated herein by reference).
10.25	Term Loan Credit Agreement, dated April 6, 2021, by and among Neenah, Inc., certain of its subsidiaries, the lenders listed therein and JPMorgan Chase Bank, N.A., as agent for the Lenders (filed as Exhibit 10.1 to the Neenah, Inc. Quarterly Report on Form 10-Q, filed May 6, 2021 and incorporated herein by reference).
10.26	Fifth Amendment, dated November 16, 2021, to the Fourth Amended and Restated Credit Agreement dated December 10, 2018 by and among Neenah, Inc., certain of its subsidiaries, the lenders listed therein and JPMorgan Chase Bank, N.A., as agent for the Lenders (filed herewith).
21	List of Subsidiaries of Neenah, Inc. (filed herewith).
23	Consent of Deloitte & Touche LLP (filed herewith)
24	Power of Attorney (filed herewith)
31.1	Certification of Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (filed herewith).
31.2	Certification of Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act (filed herewith).
32.1	Certification of Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code (furnished herewith).
32.2	Certification of Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code (furnished herewith).
101.INS	XBRL Instance Document (filed herewith).
101.SCH	XBRL Taxonomy Extension Schema Document (filed herewith).
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document (filed herewith).
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (filed herewith).
101.LAB	XBRL Taxonomy Extension Label Linkbase Document (filed herewith).
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (filed herewith).
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101)

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* Indicates management contract or compensatory plan or arrangement.

\+ Pursuant to a confidential treatment request portions of this exhibit have been furnished separately to the Securities and Exchange Commission.

(c) Financial Statement Schedule

See Item 15(a) (2) above

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Neenah, Inc.

By: /s/ JULIE A. SCHERTELL

Name:	Julie A. Schertell
Title:	President, Chief Executive Officer and Director (in her capacity as a duly authorized officer of the Registrant and in her capacity as Chief Executive Officer)
Date:	February 18, 2022

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ JULIE A. SCHERTELL Julie A. Schertell	President, Chief Executive Officer and Director (Principal Executive Officer)	February 18, 2022
/s/ PAUL F. DESANTIS Paul F. DeSantis	Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)	February 18, 2022
/s/ LARRY N. BROWNLEE Larry N. Brownlee	Vice President, Controller (Principal Accounting Officer)	February 18, 2022
/s/ WILLIAM M. COOK* William M. Cook	Chairman of the Board and Director	February 18, 2022
/s/ DONNA M. COSTELLO* Donna M. Costello	Director	February 18, 2022
/s/ MARGARET S. DANO* Margaret S. Dano	Director	February 18, 2022
/s/ TIMOTHY S. LUCAS* Timothy S. Lucas	Director	February 18, 2022
/s/ PHILIP C. MOORE* Philip C. Moore	Director	February 18, 2022
/s/ TONY R. THENE* Tony R. Thene	Director	February 18, 2022
/s/ SHRUTI SINGHAL* Shruti Singhal	Director	February 18, 2022

*By /s/ NOAH S. BENZ
Noah S. Benz
Executive Vice President,
General Counsel and Secretary
Attorney-in-fact

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Neenah, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Neenah, Inc. and subsidiaries (the "Company") as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2021, of the Company and our report dated February 18, 2022, expressed an unqualified opinion on those consolidated financial statements and financial statement schedule.

As described in Management's Annual Report on Internal Control over Financial Reporting, management excluded from its assessment the internal control over financial reporting at Global Release Liners, S.L., which was acquired on April 6, 2021, and whose financial statements constitute 29% of total assets and 10% of revenues of the consolidated financial statement amounts as of and for the year ended December 31, 2021. Accordingly, our audit did not include the internal control over financial reporting at Global Release Liners, S.L.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Atlanta, Georgia
February 18, 2022

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Neenah, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Neenah, Inc. and subsidiaries (the "Company") as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive income, changes in stockholders' equity, and cash flows, for each of the three years in the period ended December 31, 2021, and the related notes and the schedule listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 18, 2022, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Income Taxes — Realizability of Deferred Tax Assets — Refer to Notes 2 and 6 to the financial statements

Critical Audit Matter Description

As discussed in Note 6 to the consolidated financial statements, at December 31, 2021 the Company had deferred tax assets on deductible temporary differences, tax credits, and tax loss carryforwards of $25.1 million (net of a $12.5 million valuation allowance). Deferred tax assets are reduced by a valuation allowance if, based upon the weight of all available evidence, it is more likely than not that some portion, or all, of the deferred tax assets will not be realized. Auditing management's determination that all or some portion of certain deferred income tax assets will not be realized, and that it is more likely than not that sufficient taxable income will be generated in the future to realize the remaining deferred tax assets, is a critical audit matter because of the significant judgments management makes related to taxable income. This required a high degree of auditor judgment and an increased extent of effort, including the need to involve our income tax specialists, when performing audit procedures to evaluate the reasonableness of management's forecasts of taxable income and the application and interpretations of accounting principles generally accepted in the United States of America.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the determination that it is more likely than not that sufficient taxable income will be generated in the future to realize deferred tax assets included the following, among others:

- We tested the effectiveness of internal controls over deferred tax assets, including management's controls over the estimates of taxable income and the determination of whether it is more likely than not that the deferred tax assets will be realized.
- We evaluated the reasonableness of the methods, assumptions, and judgments used by management to determine whether a valuation allowance was necessary.
- With the assistance of our income tax specialists, we evaluated whether the sources of management's estimated taxable income were of the appropriate character and sufficient to utilize the deferred tax assets under the relevant tax law.
- We tested the reasonableness of management's estimates of taxable income by comparing the estimates to:
  - Internal budgets.
  - Historical taxable income, as adjusted for nonrecurring items.
  - Internal communications to management and the Board of Directors.
  - Forecasted information included in Company press releases as well as in analyst and industry reports for the Company and certain of its peer companies.
- We evaluated whether the estimates of future taxable income were consistent with evidence obtained in other areas of the audit.
- We evaluated whether the taxable income in prior carryback years was of the appropriate character and available under the tax law.

/s/ Deloitte & Touche LLP

Atlanta, Georgia
February 18, 2022

We have served as the Company's auditor since 2003.

NEENAH, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except share and per share data)

	Year Ended December 31,		
	2021	**2020**	**2019**
Net Sales	$ 1,028.5	$ 792.6	$ 938.5
Cost of products sold	865.2	639.4	755.1
Gross Profit	163.3	153.2	183.4
Selling, general and administrative expenses	101.4	88.0	98.6
Impairment and asset restructuring costs (Note 13)	35.2	57.8	4.7
Pension and SERP settlement and curtailment losses (gains) (Note 8)	17.4	1.6	(1.4)
Acquisition-related costs (Note 4)	13.0	1.5	—
Loss on debt extinguishment (Note 7)	7.2	1.9	—
Other restructuring and non-routine costs	1.9	4.2	1.5
COVID-19 costs	1.6	3.5	—
Other expense (income), net	(2.6)	0.8	1.7
Operating Income (Loss)	(11.8)	(6.1)	78.3
Interest expense	17.9	12.6	11.8
Income (Loss) Before Income taxes	(29.7)	(18.7)	66.5
Provision (benefit) for income taxes	(4.8)	(2.9)	11.1
Net Income (Loss)	$ (24.9)	$ (15.8)	$ 55.4
Earnings (Loss) Per Common Share			
Basic	$ (1.49)	$ (0.96)	$ 3.27
Diluted	$ (1.49)	$ (0.96)	$ 3.26
Weighted Average Common Shares Outstanding (in thousands)			
Basic	16,821	16,813	16,848
Diluted	16,821	16,813	16,906

See Notes to Consolidated Financial Statements

NEENAH, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In millions)

	Year Ended December 31,		
	2021	**2020**	**2019**
Net Income (Loss)	$ (24.9)	$ (15.8)	$ 55.4
Reclassification of amounts recognized in the consolidated statement of operations:			
Amortization of adjustments to pension and other post-employment benefit liabilities	6.0	6.6	6.0
Pension plan settlement and curtailment losses	15.7	0.3	1.3
Amounts recognized in the consolidated statement of operations	21.7	6.9	7.3
Unrealized foreign currency translation gain (loss)	(24.0)	18.0	(3.5)
Net gain (loss) from pension and other post-employment benefit plans	18.6	(17.2)	(13.7)
Income (Loss) From Other Comprehensive Income Items Before Income Taxes	16.3	7.7	(9.9)
Provision (benefit) for income taxes	9.5	(1.9)	(1.7)
Other Comprehensive Income (Loss)	6.8	9.6	(8.2)
Comprehensive Income (Loss)	$ (18.1)	$ (6.2)	$ 47.2

See Notes to Consolidated Financial Statements

NEENAH, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In millions, except share data)

	December 31, 2021	December 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 23.9	$ 37.1
Accounts receivable, net	142.3	100.2
Inventories	138.5	108.9
Asset held for sale (Note 13)	10.5	—
Prepaid and other current assets	31.8	25.1
Total Current Assets	347.0	271.3
Property, Plant and Equipment, net	295.5	329.4
Finance Lease Right-of-Use Assets (Note 11)	20.8	—
Operating Lease Right-of- Use Assets (Note 11)	17.8	20.2
Deferred Income Taxes (Note 6)	25.1	18.3
Goodwill (Note 5)	198.6	87.4
Intangible Assets, net (Note 5)	154.6	62.6
Over-funded Employee Benefit Plan (Note 8)	9.5	—
Other Assets	12.8	17.4
TOTAL ASSETS	$ 1,081.7	$ 806.6
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Debt payable within one year (Note 7)	$ 6.4	$ 4.9
Finance lease liabilities payable within one year	0.8	—
Operating lease liabilities payable within one year	3.3	3.2
Accounts payable	97.4	46.0
Liabilities of assets held for sale (Note 13)	0.5	—
Accrued expenses	66.6	61.9
Total Current Liabilities	175.0	116.0
Long-term Debt (Note 7)	434.9	189.5
Finance Lease Liability, Noncurrent	20.4	—
Operating Lease Liabilities, Noncurrent	15.9	18.4
Noncurrent Employee Benefit Obligations (Note 8)	77.7	96.8
Deferred Income Taxes (Note 6)	38.2	12.3
Other Noncurrent Obligations	3.6	6.0
TOTAL LIABILITIES	765.7	439.0
Commitments and Contingencies (Note 12)		
Stockholders' Equity		
Common stock, par value $0.01, authorized: 100,000,000 shares; issued and outstanding: 16,779,000 shares and 16,829,000 shares	0.2	0.2
Treasury stock, at cost: 2,040,000 shares and 1,917,000 shares	(93.6)	(87.6)
Additional paid-in capital	342.9	338.3
Retained earnings	163.4	220.4
Accumulated other comprehensive loss	(96.9)	(103.7)
Total Stockholders' Equity	316.0	367.6
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,081.7	$ 806.6

See Notes to Consolidated Financial Statements

NEENAH, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In millions, shares in thousands)

	Common Stock					
	Shares	Amount	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss
Balance, December 31, 2018	18,597	$ 0.2	$ (76.6)	$ 328.5	$ 243.2	$ (105.1)
Net income	—	—	—	—	55.4	—
Other comprehensive loss, after income tax benefit	—	—	—	—	—	(8.2)
Dividends declared	—	—	—	—	(30.5)	—
Shares purchased (Note 10)	—	—	(4.9)	—	—	—
Stock options exercised	17	—	—	—	—	—
Restricted stock vesting (Note 9)	64	—	(1.3)	—	—	—
Stock-based compensation	—	—	—	5.6	—	—
Balance, December 31, 2019	18,678	0.2	(82.8)	334.1	268.1	(113.3)
Net loss	—	—	—	—	(15.8)	—
Other comprehensive income, after income tax benefit	—	—	—	—	—	9.6
Dividends declared	—	—	—	—	(31.9)	—
Shares purchased (Note 10)	—	—	(3.6)	—	—	—
Stock options exercised	6	—	—	—	—	—
Restricted stock vesting (Note 9)	62	—	(1.2)	—	—	—
Stock-based compensation	—	—	—	4.2	—	—
Balance, December 31, 2020	18,746	0.2	(87.6)	338.3	220.4	(103.7)
Net loss	—	—	—	—	(24.9)	—
Other comprehensive income, net of income tax	—	—	—	—	—	6.8
Dividends declared	—	—	—	—	(32.1)	—
Shares purchased (Note 10)	—	—	(5.0)	—	—	—
Stock options exercised	8	—	—	—	—	—
Restricted stock vesting (Note 9)	65	—	(1.0)	—	—	—
Stock-based compensation	—	—	—	4.5	—	—
Other	—	—	—	0.1	—	—
Balance, December 31, 2021	18,819	$ 0.2	$ (93.6)	$ 342.9	$ 163.4	$ (96.9)

See Notes to Consolidated Financial Statements

NEENAH, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Year Ended December 31,		
	2021	**2020**	**2019**
OPERATING ACTIVITIES			
Net income (loss)	$ (24.9)	$ (15.8)	$ 55.4
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	42.7	36.7	38.9
Stock-based compensation	4.5	4.2	5.6
Deferred income tax provision (benefit)	(16.0)	(4.9)	3.4
Asset impairment costs (Note 13)	32.4	54.8	—
Loss on debt extinguishment (Note 7)	7.2	1.9	—
Loss on foreign currency forward contracts (Note 4)	5.1	—	—
Pension and SERP settlement and curtailment losses (gains) (Note 8)	17.4	1.6	(1.4)
Loss on asset dispositions	0.6	—	0.1
Non-cash effects of changes in liabilities for uncertain income tax positions	(0.1)	(0.2)	(0.7)
Net cash provided by (used in) changes in operating working capital, net of effect of acquisitions (Note 15)	(5.3)	18.2	(0.6)
Pension and other post-employment benefits	(7.9)	(5.8)	(3.7)
Noncurrent payroll taxes	(2.2)	2.2	—
Other	(0.3)	0.5	0.6
Net Cash Provided By Operating Activities	53.2	93.4	97.6
INVESTING ACTIVITIES			
Capital expenditures	(28.2)	(18.9)	(21.4)
Business acquisition (Note 4)	(240.2)	—	—
Proceeds from sale of property, plant and equipment (Note 13)	—	0.5	—
Sales (purchases) of marketable securities	3.7	(0.1)	(0.4)
Other	0.4	(1.0)	(1.5)
Net Cash Used In Investing Activities	(264.3)	(19.5)	(23.3)
FINANCING ACTIVITIES			
Proceeds from issuance of long-term debt (Note 7)	459.7	291.6	163.5
Debt issuance costs (Note 7)	(9.1)	(6.0)	(0.4)
Repayments of long-term debt (Note 7)	(212.8)	(295.9)	(201.6)
Cash dividends paid	(31.9)	(31.9)	(30.5)
Shares purchased (Note 10)	(6.0)	(4.8)	(6.2)
Other	(0.7)	—	—
Net Cash Provided By (Used In) Financing Activities	199.2	(47.0)	(75.2)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(1.3)	1.2	—
Net Increase (Decrease) in Cash and Cash Equivalents	(13.2)	28.1	(0.9)
Cash and Cash Equivalents, Beginning of Year	37.1	9.0	9.9
Cash and Cash Equivalents, End of Year	$ 23.9	$ 37.1	$ 9.0

See Notes to Consolidated Financial Statements

Note 1. Background and Basis of Presentation

Background

Neenah, Inc. ("Neenah" or the "Company"), is a Delaware corporation incorporated in April 2004. The Company has two primary operations: its technical products business and its fine paper and packaging business.

The technical products business is an international producer of fiber-formed, coated and/or saturated specialized media that delivers high performance benefits to customers. Included in this segment are filtration media, tape and abrasives backings products, digital transfer papers, durable label and other specialty substrate products. The fine paper and packaging business is a supplier of branded premium printing, packaging and other high-end specialty papers primarily in North America. The Company's premium writing, text and cover papers, and specialty papers are used in commercial printing and imaging applications for corporate identity packages, invitations, personal stationery and high-end advertising, as well as premium labels and luxury packaging.

Basis of Presentation

The consolidated financial statements include the financial statements of the Company and its wholly owned and majority owned subsidiaries. All inter-company balances and transactions have been eliminated in consolidation.

Impacts of COVID-19

The Company continues to assess the impacts of the novel coronavirus pandemic and its variants (“COVID-19” or the "pandemic") on its various accounting estimates and significant judgments, including those that require consideration of forecasted financial information in the context of its unknown future impacts, using information that is reasonably available at this time. The accounting estimates and other matters assessed included, but were not limited to, goodwill, indefinite-lived intangibles and other long-lived assets, and valuation allowances for income tax assets.

The incremental and direct costs of responding to COVID-19 were $1.6 million and $3.5 million for the years ended December 31, 2021 and 2020, respectively. These included costs of personal protective equipment, additional cleaning and sanitation supplies in 2020, and non-productive labor costs of quarantined workers and COVID-19 medical costs for both periods.

Note 2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("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 the reported amounts of net sales and expenses during the reporting periods. Actual results could differ from these estimates, and changes in these estimates are recorded when known. Significant management judgment is required in determining the accounting for, among other things, reserves for uncertain tax positions, pension and post-employment benefit obligations, retained insurable risks, reserves for sales discounts and allowances, purchase price allocations, useful lives for depreciation and amortization, asset retirement obligations ("AROs"), future cash flows associated with impairment testing for tangible and intangible long-lived assets, goodwill, valuation allowance for deferred tax assets, contingencies, inventory obsolescence and market reserves and the valuation of stock-based compensation.

Revenue Recognition

The Company recognizes sales revenue at a point in time following the transfer of control of the product to the customer, which typically occurs upon shipment or delivery depending on the terms of the underlying contractual arrangements. Sales are reported net of allowable discounts and estimated returns. Reserves for cash discounts, trade allowances and sales returns are estimated using historical experience. The Company accounts for shipping and handling activities related to contracts with customers as costs to fulfill the promise to transfer the associated products. Accordingly, the Company records customer payments of shipping and handling costs as a component of net sales and classifies such costs as a component of cost of sales. The Company excludes tax amounts assessed by governmental authorities that are both (i) imposed on and concurrent with a specific revenue-producing transaction and (ii) collected from customers from the measurement of transaction prices. Accordingly, such tax amounts are not included as a component of net sales or cost of sales. The Company considers each transaction/shipment as a separate performance obligation. Neenah recognizes revenue when the title transfers to the customer. As such, the remaining performance obligations at period end are not considered material. Sales terms in the technical products business vary depending on the type of product sold and customer category. In general, sales of the technical products businesses are collected in approximately 45 to 55 days, with extended credit terms for certain international customers. Fine paper and packaging sales terms range between 20 and 30 days with discounts of 0 to 2 percent for early customer payments, with discounts of 1 percent and 20-day terms used most often. Extended credit terms are offered to customers consistent with certain local markets. Refer to Note 14, "Business Segment and Geographic Information," for further disaggregation of revenue.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with an initial maturity of three months or less. The Company places its temporary cash investments with high credit quality financial institutions. As of December 31, 2021 and 2020, $0.3 million and $0.3 million, respectively, of the Company's cash and cash equivalents is restricted to the payment of post-employment benefits.

Inventories

U.S. inventories are valued at the lower of cost, using the last-in, first-out ("LIFO") method for financial reporting purposes, or market. European inventories are valued at the lower of cost, using a weighted-average cost method, or net realizable value. Cost includes labor, materials and production overhead.

Foreign Currency

Balance sheet accounts of the Company's operations in Germany, Spain and the Netherlands, the United Kingdom (the "U.K."), and Canada are translated from Euros, British Pounds and Canadian dollars, respectively, into U.S. dollars at period-end exchange rates, and income and expense accounts are translated at average exchange rates during the period. Translation gains or losses related to net assets located in these foreign locations are recorded as unrealized foreign currency translation adjustments within accumulated other comprehensive income (loss) ("AOCI") in stockholders' equity. Gains and losses resulting from foreign currency transactions (transactions denominated in a currency other than the entity's functional currency) are included in Other expense (income), net in the consolidated statements of operations.

Property and Depreciation

Property, plant and equipment are stated at cost, less accumulated depreciation. Certain costs of software developed or obtained for internal use are capitalized. When property, plant and equipment is sold or retired, the costs and the related accumulated depreciation are removed from the accounts, and the gains or losses are recorded in Other expense (income), net. For financial reporting purposes, depreciation is principally computed on the straight-line method over estimated

useful asset lives. The weighted average remaining useful lives for buildings, land improvements and machinery and equipment are approximately 17 years, 19 years and 9 years, respectively.

The costs of major rebuilds and replacements of plant and equipment are capitalized, and the cost of maintenance performed on manufacturing facilities, composed of labor, materials and other incremental costs, is expensed as incurred. Start-up costs for new or expanded facilities, including costs related to trial production, are expensed as incurred.

The Company accounts for AROs in accordance with Accounting Standards Codification ("ASC") Topic 410, *Asset Retirements and Environmental Obligations*, which requires companies to make estimates regarding future events in order to record a liability for AROs in the period in which a legal obligation is created. Such liabilities are recorded at fair value, with an offsetting increase to the carrying value of the related long-lived asset. As of December 31, 2021, the Company is unable to estimate its AROs for environmental liabilities at its manufacturing facilities, but does not believe the liabilities related to AROs, if any, are material.

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with the fair value recognition provisions of ASC Topic 718, *Compensation — Stock Compensation* ("ASC Topic 718"). The amount of stock-based compensation cost recognized is based on the fair value of grants that are ultimately expected to vest and is recognized pro-rata over the requisite service period for the entire award.

Research and Development Expense

Research and development costs are charged to expense as incurred and are recorded in "Selling, general and administrative expenses" on the consolidated statements of operations. See Note 15, "Supplemental Data — Supplemental Statement of Operations Data."

Fair Value Measurements

The Company measures fair value in accordance with ASC Topic 820, *Fair Value Measurements and Disclosures* ("ASC Topic 820") which establishes a framework for measuring fair value. ASC Topic 820 provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Fair Value of Financial Instruments

As of December 31, 2021 and 2020, the carrying values of the Company’s debt approximated fair value.The fair value for all debt instruments was estimated from Level 2 measurements using rates currently available to the Company for debt of the same remaining maturities.

The Company's investments in marketable securities are accounted for as "available-for-sale securities" in accordance with ASC Topic 320, *Investments — Debt and Equity Securities* ("ASC Topic 320"). Pursuant to ASC Topic 320, marketable securities are reported at fair value on the consolidated balance sheets and holding gains and losses are reported in "Other Income (Expense), net" on the Company's consolidated statements of operations. At December 31, 2021, the Company had $0.7 million in marketable securities classified as Other assets on the consolidated balance sheet. The cost of such marketable securities was $0.7 million. Fair value for the Company's marketable securities was estimated from Level 1 inputs. The Company's marketable securities are designated for the payment of benefits under its supplemental employee retirement plan ("SERP").

Fair Value of Pension Plan Assets

With the exception of cash and cash equivalents which are considered Level 1, and certain annuity contracts which are considered Level 3, pension plan assets are measured at Net Asset Value ("NAV") (or its equivalent) as an alternative to fair market value due to the absence of readily available market prices, and as such are not subject to the fair value hierarchy. Following is the fair value of each investment category:

- Cash and cash equivalents ($2.2 million and $3.8 million at December 31, 2021 and 2020, respectively).
- U.S and non-U.S. Equities ($109.8 million and $144.1 million at December 31, 2021 and 2020, respectively) — These proprietary collective funds have observable NAVs (based on the fair value of the underlying investments of the funds) that are provided to investors and provide for liquidity either immediately or within a few days.
- U.S and non-U.S. Fixed Income Securities ($196.3 million and $224.8 million at December 31, 2021 and 2020, respectively) — These proprietary collective funds have observable NAVs (based on the fair value of the underlying investments of the funds) that are provided to investors and provide for liquidity either immediately or within a few days.
- Hedge Fund/Other ($34.4 million and $31.6 million at December 31, 2021 and 2020, respectively) — This fund is valued using NAVs calculated by the underlying investment managers and allow for quarterly or more frequent redemptions.

The following table summarizes the changes in Level 3 defined benefit pension plan assets (Neenah Coldenhove B.V. ("Neenah Coldenhove") insurance contract for which fair value is determined based on actuarial assumptions) measured at fair value on a recurring basis for the year ended December 31, 2021, 2020 and 2019:

			Return on Plan Assets						
	Fair Value at January 1		Attributable to Assets Held at December 31	Attributable to Assets Sold	Net Purchases/ (Settlements)	Transfers into/ (out of) Level 3	Foreign currency effects		Fair Value at December 31
For the year ended December 31, 2019	$	45.1	7.5	—	(0.2)	—	(0.9)	$	51.5
For the year ended December 31, 2020	$	51.5	5.0	—	(1.5)	—	5.1	$	60.1
For the year ended December 31, 2021	$	60.1	(1.9)	—	(1.2)	—	(4.4)	$	52.6

Accounting Standards Changes

In August 2018, the Financial Accounting Standards Board (the "FASB") issued the Accounting Standards Update ("ASU") 2018-14, *Compensation—Retirement Benefits—Defined Benefit Plans—General (Topic 715-20): Disclosure Framework—Changes to the Disclosure Requirements For Defined Benefit Plans*. The ASU modified the annual disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. The guidance requires disclosure changes to be presented on a retrospective basis. The Company adopted the guidance as of year-ended December 31, 2020. As this standard relates only to financial disclosures, its adoption did not have an impact on results of operations, financial position or cash flows.

In January 2020, the Company adopted ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments,* which amends the FASB's guidance on the impairment of financial instruments. The ASU adds to U.S. GAAP an impairment model (known as the "current expected credit loss model" or "CECL") that is based on expected losses rather than incurred losses. The adoption of this standard did not have a material impact on the Company's financial position, results of operations or cash flows.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848)-Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. This ASU addresses accounting implications of the replacement of LIBOR (London Inter-Bank Offered Rate) with SOFR (Secured Overnight Financing Rate) or other alternatives by the end of 2021. The FASB allows immediate relief from application of contract modification accounting triggered by reference rate reform that otherwise would be costly to implement and result in burdensome financial reporting. The Company adopted this ASU in the fourth quarter 2021 by electing the expedients and exceptions offered in the ASU.

As of December 31, 2021, no amendments to the ASC had been issued and not adopted by the Company that will have or are reasonably likely to have a material effect on its financial position, results of operations or cash flows.

Note 3. Earnings per Share ("EPS")

The Company's restricted stock units ("RSUs") are paid non-forfeitable common stock dividends and thus meet the criteria of participating securities. Accordingly, basic EPS has been calculated using the two-class method, under which earnings are allocated to both common stock and participating securities. Basic EPS has been computed by dividing net income allocated to common stock by the weighted average common shares outstanding. For the computation of basic EPS, weighted average RSUs outstanding are excluded from the calculation of weighted average shares outstanding.

ASC Topic 260, *Earnings per Share* ("ASC Topic 260") requires companies with participating securities to calculate diluted earnings per share using the "two class" method. The "two class" method requires first calculating diluted earnings per share using a denominator that includes the weighted average share equivalents from the assumed conversion of dilutive securities. Diluted earnings per share is then calculated using net income reduced by the amount of distributed and undistributed earnings allocated to participating securities calculated using the "Treasury Stock" method and a denominator that includes the weighted average share equivalents from the assumed conversion of dilutive securities excluding participating securities. Companies are required to report the lower of the diluted earnings per share amounts under the two calculations subject to the anti-dilution provisions of ASC Topic 260.

Diluted EPS has been computed by dividing net income allocated to common stock by the weighted average number of common shares used in computing basic EPS, further adjusted to include the dilutive impact of the exercise or conversion of common stock equivalents, such as stock options, stock appreciation rights ("SARs") and target awards of RSUs with performance conditions ("Performance Share Units" or "PSUs"), into shares of common stock as if those securities were exercised or converted. For the years ended December 31, 2021, 2020 and 2019, approximately 324,000, 332,000 and 231,000 potentially dilutive options, respectively, were excluded from the computation of dilutive common shares because the exercise price of such options exceeded the average market price of the Company's common stock for the respective 12-month periods during which the options were outstanding. In addition, as a result of the loss for the years ended December 31, 2021 and 2020, incremental shares of 15,553 and 20,576, respectively, resulting from the dilutive options and PSUs, were excluded from the diluted earnings per share calculation as the effect would have been anti-dilutive.

The following table presents the computation of basic and diluted shares of common stock used in the calculation of EPS (amounts in millions, except share and per share amounts):

Earnings (loss) per basic common share

	Year Ended December 31,		
	2021	2020	2019
Net income (loss)	$ (24.9)	$ (15.8)	$ 55.4
Amounts attributable to participating securities	(0.2)	(0.2)	(0.3)
Net income (loss) available to common stockholders	$ (25.1)	$ (16.0)	$ 55.1
Weighted-average basic shares outstanding	16,821	16,813	16,848
Basic earnings (loss) per share	$ (1.49)	$ (0.96)	$ 3.27

Earnings (loss) per diluted common share

	Year Ended December 31,		
	2021	2020	2019
Net income (loss)	$ (24.9)	$ (15.8)	$ 55.4
Amounts attributable to participating securities	(0.2)	(0.2)	(0.3)
Net income (loss) available to common stockholders	$ (25.1)	$ (16.0)	$ 55.1
Weighted-average basic shares outstanding	16,821	16,813	16,848
Add: Assumed incremental shares under stock-based compensation plans	—	—	58
Weighted average diluted shares	16,821	16,813	16,906
Diluted earnings (loss) per share	$ (1.49)	$ (0.96)	$ 3.26

Note 4. Business Acquisition

Acquisition of Itasa

On April 6, 2021, the Company completed the acquisition (the “Itasa Acquisition”) of all of the outstanding capital stock of Global Release Liners, S.L., a Spanish limited company (“Itasa”), from Magnum Capital and other minority shareholders for approximately $240.2 million in cash, net of cash on hand and debt extinguishment, and including a loss on foreign currency forward contracts. Itasa, through its subsidiaries, is a leading global coater and converter of release liners used in hygiene, tapes, industrial, labels, composites, and various other end markets. The Itasa Acquisition was funded with available cash-on-hand and the net proceeds of the Term Loan B discussed in Note 7, "Debt." The Company incurred $12.8 million of costs related to the Itasa Acquisition, including a realized loss of $5.1 million related to the foreign currency forward contracts negotiated to fund the purchase price in Euros. See Note 1, "Background and Basis of Presentation," for further discussion on these contracts. The Itasa business is now part of the Company's Technical Products segment.

The Company accounted for the transaction using the acquisition method in accordance with ASC Topic 805, *Business Combinations* ("ASC Topic 805"). The preliminary allocation of the purchase price was based on estimates of the fair value of assets acquired and liabilities assumed as of April 6, 2021, and income tax balances remain subject to possible adjustment as additional information is obtained. The Company may further revise the preliminary allocation of the purchase price during the remainder of the measurement period, which will not exceed twelve months from the closing of the Itasa Acquisition, and such revisions may be material.

The following table summarizes the preliminary allocation of the purchase price to the estimated fair value of the assets acquired and liabilities assumed as of April 6, 2021.

	As of April 6, 2021
Assets Acquired	
Cash and cash equivalents	$ 34.0
Accounts receivable	20.7
Inventories	24.6
Prepaid and other current assets	2.1
Property, plant and equipment	19.8
Finance lease right-of-use assets	22.1
Operating lease right-of-use assets	0.1
Non-amortizable intangible assets	4.1
Amortizable intangible assets	100.5
Other assets	0.3
Goodwill	119.6
Total assets acquired	347.9
Liabilities Assumed	
Accounts payable	22.3
Accrued expenses	6.5
Long-term debt	26.4
Lease liabilities - finance	22.1
Lease liabilities - operating	0.1
Deferred income taxes	27.6
Other noncurrent obligations	0.3
Total liabilities assumed	105.3
Net assets acquired	$ 242.6

The Company estimated the preliminary fair value of the assets and liabilities acquired in accordance with ASC Topic 820, Fair Value Measurements and Disclosures ("ASC Topic 820"). The preliminary fair value of amortizable and non-amortizable intangible assets was estimated by applying a royalty rate to projected revenue, net of tax impacts and adjusted for present value considerations. The Company estimated the preliminary fair value of acquired property, plant and equipment using a combination of cost and market approaches. In general, the preliminary fair value of other acquired assets and liabilities was estimated using the cost basis of Itasa. There were no material changes to the preliminary purchase price allocation during the nine months ended December 31, 2021.

The excess of the purchase price over the estimated fair value of the tangible net assets and identifiable intangible assets acquired was recorded as goodwill. The factors contributing to the amount of goodwill recognized are based on several strategic and synergistic benefits that are expected to be realized from the Itasa Acquisition. These benefits include entry into profitable new markets for silicone release liners with new capabilities and recognized brands and synergies from combining the business with Neenah's existing infrastructure. None of the goodwill recognized as part of the Itasa Acquisition will be deductible for income tax purposes. All of the acquired goodwill was allocated to the Technical Products segment.

For the year ended December 31, 2021, the Company recorded net sales of $106.9 million and operating income of $3.7 million from the acquired business. Such results included $5.4 million of one-time costs including the step-up in inventory to fair value on the date of acquisition for year ended December 31, 2021.

The following selected unaudited pro forma consolidated statement of operations data for the year ended December 31, 2021 and 2020, was prepared as though the Itasa Acquisition had occurred as of the beginning of 2020. The information does not reflect events that occurred after April 6, 2021 or any operating efficiencies or inefficiencies that may result from the Itasa Acquisition. The pro forma information below includes $18.2 million of non-recurring costs directly attributable to the Itasa Acquisition. Therefore, the information is not necessarily indicative of results that would have been achieved had the businesses been combined during the period presented or the results that the Company will experience going forward.

	For the Year Ended December 31,	
	2021	2020
Net Sales	$ 1,061.1	$ 908.1
Operating Income (Loss)	16.8	(24.5)
Net Income (Loss)	(4.7)	(34.5)
Earnings (Loss) Per Common Share:		
Basic	$ (0.29)	$ (2.07)
Diluted	$ (0.29)	$ (2.07)

During the years ended December 31, 2021 and 2020, the Company incurred $0.2 million and $1.5 million, respectively, of due diligence and transaction costs of potential acquisitions that were not consummated. No such costs were incurred during the year ended December 31, 2019.

Note 5. Goodwill and Other Intangible Assets

The Company follows the guidance of ASC Topic 805, *Business Combinations* ("ASC Topic 805"), in recording goodwill arising from a business combination as the excess of purchase price over the fair value of identifiable assets acquired and liabilities assumed.

The Company tests goodwill for impairment at least annually on November 30 in conjunction with preparation of its annual business plan, or more frequently if events or circumstances indicate it might be impaired.

The Company tested goodwill for impairment as of November 30, 2021 under ASC Topic 350, *Intangibles — Goodwill and Other* ("ASC Topic 350"). The Company elected the option under ASC Topic 350 to perform a qualitative assessment of the Company's reporting units to determine whether further impairment testing was necessary. In this qualitative assessment, the Company considered the following items for each of the reporting units: macroeconomic conditions, industry and market conditions, overall financial performance and other entity specific events. In addition, for each of these reporting units, the most recent fair value determination resulted in an amount that exceeded the carrying amount of the reporting units. Based on these assessments, the Company determined that the likelihood that a current fair value determination would be less than the current carrying amount of the reporting units is not more likely than not. There was no impairment in the carrying value of goodwill for the years ended December 31, 2021, 2020 and 2019.

The following table presents the carrying value of goodwill by business segment and changes in the carrying value of goodwill.

	Technical Products			Fine Paper and Packaging			
	Gross Amount	Accumulated Impairment Losses	Net	Gross Amount	Accumulated Impairment Losses	Net	Total
Balance at December 31, 2019	$ 123.4	$ (46.5)	$76.9	$ 6.2	$ —	$ 6.2	$ 83.1
Foreign currency translation	8.6	(4.3)	4.3	—	—	—	4.3
Balance at December 31, 2020	132.0	(50.8)	81.2	6.2	—	6.2	87.4
Business acquisition (See Note 4)	119.6	—	119.6	—	—	—	119.6
Adjustment	(0.8)	—	(0.8)	—	—	—	(0.8)
Foreign currency translation	(11.4)	3.8	(7.6)	—	—	—	(7.6)
Balance at December 31, 2021	$ 239.4	$ (47.0)	$192.4	$ 6.2	$ —	$ 6.2	$ 198.6

Intangible Assets

As of December 31, 2021, the Company had net identifiable intangible assets of $154.6 million. All such intangible assets were acquired in the acquisitions of Itasa, Crane Technical Materials, FiberMark, Neenah Coldenhove, Neenah Germany, Fox River and the acquisition of the Wausau and Southworth brands. The following table details amounts related to those assets.

	December 31, 2021		December 31, 2020	
	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
Amortizable intangible assets				
Customer based intangibles	$ 118.0	$ (15.9)	$ 39.6	$ (24.0)
Trade names and trademarks	3.3	(1.4)	5.2	(3.1)
Acquired technology	17.7	(7.5)	17.3	(9.3)
Total amortizable intangible assets	139.0	(24.8)	62.1	(36.4)
Indefinite life trade names, net of cumulative impairment losses of $1.3 million as of December 31, 2021	40.4	—	36.9	—
Total	$ 179.4	$ (24.8)	$ 99.0	$ (36.4)

As of December 31, 2021, $128.8 million and $25.8 million of such intangible assets are reported within the Technical Products and Fine Paper and Packaging segments, respectively. See Note 14, "Business Segment and Geographic Information."

Intangible assets with finite useful lives are amortized on a straight-line basis over their respective estimated useful lives to their estimated residual values, and reviewed for impairment in accordance with ASC Topic 360, *Property, Plant, and Equipment*. Intangible assets consist primarily of customer relationships, trade names and acquired intellectual property. Such intangible assets are amortized using the straight-line method over estimated useful lives of between 7 and 15 years. Certain trade names are estimated to have indefinite useful lives and as such are not amortized. Intangible assets with indefinite lives are reviewed for impairment at least annually. During the second quarter of 2020, the Company recorded an impairment loss for its indefinite-lived intangible assets (brand names) of $0.9 million and $0.4 million in the Fine Paper and Packaging and Technical Products segments, respectively, due to the adverse impacts of the pandemic. See Note 13,

"Assets Held For Sale and Impairment and Asset Restructuring Costs." There was no impairment in the carrying value of intangible assets with indefinite lives for the years ended December 31, 2021 and 2019.

During 2021, as part of the Itasa Acquisition, intangible assets of $104.6 million were added (See Note 4, "Business Acquisition"). In addition, fully amortized intangible assets of $16.0 million were written off. Aggregate amortization expense of acquired intangible assets for the years ended December 31, 2021, 2020 and 2019 was $8.8 million, $3.7 million and $3.9 million, respectively and was reported in selling, general and administrative expenses on the consolidated statements of operations. Estimated amortization expense for the years ended December 31, 2022, 2023, 2024, 2025 and 2026 is $9.4 million, $9.2 million, $9.2 million, $9.2 million and $9.2 million, respectively.

Note 6. Income Taxes

The Company accounts for income taxes in accordance with ASC Topic 740, Income Taxes. Income tax expense (benefit) represented (16.2) percent, (15.5) percent and 16.7 percent of income (loss) before income taxes for the years ended December 31, 2021, 2020 and 2019, respectively. The Company's effective income tax rate can be affected by many factors, including but not limited to, changes in the mix of earnings in taxing jurisdictions with differing statutory rates, the impact of research and development tax credits ("R&D Credits"), changes in tax laws and changes in corporate structure as a result of business acquisitions and dispositions. The 2021 and 2020 effective income tax rates were significantly impacted by $83.8 million and $70.5 million, respectively, of unusual costs for asset impairment and restructuring costs, losses from pension and SERP settlements, acquisition-related costs and losses on debt extinguishments, which resulted in pre-tax book losses. As a result of the impacts of COVID-19 and other factors, in 2021 and 2020, the Company evaluated its ability to utilize deferred tax assets, including research and development and other tax credits and net operating losses ("NOLs"), before they expire and recorded an increase to the valuation allowance against state tax credits and NOLs of $2.4 million and $4.7 million, respectively. Also, in 2021, upon the permanent closure of the Appleton facility and termination of an intercompany royalty agreement, the Company wrote-off a deferred tax asset of $2.9 million which was no longer recoverable through future tax deductions.

In March 2020, the U.S. government enacted the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). The CARES Act included various income and payroll tax provisions designed to stimulate the economy and provide relief to businesses. Among its benefits was the ability to enhance the value of NOLs by allowing the carryback of NOLs to tax years in which the U.S. federal statutory income tax rate was 35 percent. In 2020, the Company recorded an estimated income tax benefit of $0.9 million and a corresponding tax receivable for $8.0 million for the tax refund. In 2021, when the federal tax return was filed, an additional income tax benefit of $1.4 million was recorded and the corresponding tax refund receivable was increased to $9.1 million. In 2020, the Company also elected the option to delay payment of $4.4 million of 2020 payroll taxes. One-half was paid on December 31, 2021 and the remainder will be paid on December 31, 2022. Also, in 2020 the Company utilized the payroll tax provisions of the Employee Retention Credit of the CARES Act to partially offset qualified wages and benefits of employees impacted by COVID-19 travel and other restrictions. Similar COVID-19 relief legislation was also enacted in Germany, the Netherlands and the U.K. aimed at providing subsidies for employee retention and deferral of tax payments.

The following table presents the principal reasons for the difference between the Company's effective income tax rate and the U.S. federal statutory income tax rate:

	Year Ended December 31,					
	2021	2021	2020	2020	2019	2019
U.S. federal statutory income tax rate	(21.0)%	$ (6.2)	(21.0)%	$ (3.9)	21.0 %	$ 14.0
U.S. state income taxes, net of federal income tax benefit	(10.1)%	(3.0)	(10.2)%	(1.9)	1.4 %	0.9
Foreign tax rate differences (a)	9.8 %	2.9	15.0 %	2.8	3.6 %	2.4
Foreign financing structure (b)	(4.7)%	(1.4)	(11.2)%	(2.1)	(3.0)%	(2.0)
U.S. tax on foreign earnings (c)	2.4 %	0.7	4.3 %	0.8	0.9 %	0.6
Research and development and other tax credits	(11.8)%	(3.5)	(15.5)%	(2.9)	(6.2)%	(4.1)
Benefit of CARES Act NOL carryback (d)	(4.7)%	(1.4)	(4.8)%	(0.9)	— %	—
Write-off of deferred tax asset for Appleton IP transfer (e)	9.8 %	2.9	— %	—	— %	—
Change in valuation allowances (f)	8.1 %	2.4	25.2 %	4.7	0.2 %	0.1
Change in reserves for uncertain tax positions	1.0 %	0.3	(3.7)%	(0.7)	(1.9)%	(1.3)
Change in statutory tax rates (g)	2.0 %	0.6	— %	—	— %	—
Excess tax benefits from stock compensation	— %	—	1.1 %	0.2	(0.2)%	(0.1)
Other differences, net	3.0 %	0.9	5.3 %	1.0	0.9 %	0.6
Effective income tax rate	(16.2)%	$ (4.8)	(15.5)%	$ (2.9)	16.7 %	$ 11.1

(a) Represents the impact on the Company's effective tax rate due to the mix of earnings among taxing jurisdictions with differing statutory rates. In each year, the U.S. federal tax rate is lower than the tax rate in Germany and the Netherlands, and in 2021 was lower than Spain and Mexico.

(b) Represents the impact on the Company's effective tax rate of the Company's financing strategies.

(c) Includes federal global intangible low-taxed income ("GILTI") impacts and state taxation of foreign earnings and profits ("E&P").

(d) Represents the net benefit of the CARES Act provision to allow for the carryback of the NOL generated in 2020 to the 2015 and 2016 tax years. The estimated tax benefit recorded in 2020 of $0.9 million included a $5.0 million benefit from the tax rate differential and other factors, offset by a $3.0 million impact from provisions of GILTI and a $1.1 million increase in the reserve for uncertain income tax positions for restored R&D Credits. In 2021 when the 2020 tax return was filed, an additional tax benefit of $1.4 million was recorded which included a $1.0 million reduction to the provisions of GILTI and a $0.5 million reduction in the benefit from the tax rate differential and other factors, offset by a $0.1 million increase in the reserve for uncertain income tax positions for restored R&D Credits.

(e) In conjunction with the closure of the Appleton facility (see Note 13), the deferred tax asset associated with the future tax benefits from payments to a German subsidiary was written-off, since the royalty agreement for the transfer of intellectual property was terminated and no future payments will occur.

(f) In 2021 and 2020, as a result of the impacts of COVID-19 and other factors, the Company evaluated its ability to utilize certain deferred tax assets, including research and development and other tax credits and NOLs, before they expire. The Company recorded in 2021 and 2020 a $2.4 million and $4.7 million, respectively, increase to the valuation allowance against state tax credits and NOLs, the majority of which related to adjustments to the beginning of year valuation allowance for changes in judgment about the realizability of these deferred tax assets in future years.

(g) Represents the increase in the net deferred income tax liability from an increase in the statutory income tax rates in the U.K. and the Netherlands.

The following table presents the U.S. and foreign components of income before income taxes:

	Year Ended December 31,		
	2021	2020	2019
Income (loss) before income taxes:			
U.S.	$ (71.6)	$ (55.6)	$ 30.1
Foreign	41.9	36.9	36.4
Total	$ (29.7)	$ (18.7)	$ 66.5

The following table presents the components of the provision (benefit) for income taxes:

	Year Ended December 31,		
	2021	2020	2019
Provision (benefit) for income taxes:			
Current:			
Federal	$ (0.6)	$ (8.1)	$ 0.3
State	(0.1)	0.3	(0.2)
Foreign	11.9	9.8	7.6
Total current income tax provision	11.2	2.0	7.7
Deferred:			
Federal	(14.9)	(6.5)	3.0
State	(0.3)	2.5	0.8
Foreign	(0.8)	(0.9)	(0.4)
Total deferred income tax provision	(16.0)	(4.9)	3.4
Total provision (benefit) for income taxes	$ (4.8)	$ (2.9)	$ 11.1

The Company has elected to treat its Canadian subsidiary as a branch for U.S. income tax purpose. Therefore, its pre-tax loss, arising primarily from employee benefit plan costs, is included in determining U.S. federal and state income taxes.

The asset and liability approach is used to recognize deferred income tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities. The presentation below reflects net deferred income tax assets of U.S. federal and state jurisdictions and the net deferred income tax liabilities related to operations of Germany, the Netherlands, Spain, Mexico and the U.K. The components of deferred income tax assets and liabilities, net of reserves for uncertain tax positions and valuation allowances, are as follows:

	December 31,	
	2021	2020
Deferred income tax assets (liabilities)		
Research and development tax credits	$ 28.3	$ 27.5
Employee benefits	8.9	15.6
Capitalized research and development costs and disallowed interest	7.5	—
Lease liabilities	4.1	4.6
Net operating losses and other tax credits	2.7	3.7
Accrued liabilities	2.0	1.4
Inventories (a)	(1.3)	—
Lease right-of-use assets	(3.7)	(4.3)
Intangibles	(7.6)	(4.7)
Property, plant and equipment (a)	(16.5)	(26.7)
Other	0.7	1.2
Net deferred income tax assets	$ 25.1	$ 18.3
Deferred income tax assets (liabilities)		
Intangibles	$ (27.1)	$ (3.0)
Property, plant and equipment	(17.9)	(16.8)
Lease right-of-use assets	(5.5)	(0.9)
Inventories	(1.9)	(0.8)
Net operating losses	—	0.2
Accrued liabilities	0.5	—
Lease liabilities	5.5	0.9
Employee benefits	8.5	9.5
Other	(0.3)	(1.4)
Net deferred income tax liabilities	$ (38.2)	$ (12.3)

(a) As of December 31, 2021, included within property, plant and equipment and inventories was a deferred tax liability resulting from tax accounting method changes of $(1.8) million and $(0.3) million, respectively. As of December 31, 2020, included within property, plant and equipment and inventories was a deferred tax liability resulting from tax accounting method changes of $(3.5) million and $(0.6) million, respectively.

As of December 31, 2021, the Company had $30.8 million of U.S. federal and $7.7 million of U.S. state R&D Credits which, if not used, will expire between 2029 and 2041 for the U.S. federal R&D Credits and between 2022 and 2036 for the state R&D Credits. As of December 31, 2021, the Company had $69.9 million of state NOLs which may be used to offset state taxable income. The NOLs are reflected in the consolidated financial statements as a deferred income tax asset

of $4.2 million. If not used, substantially all of the NOLs will expire in various amounts between 2022 and 2041. The Company had pre-acquisition and recognized built-in loss carryovers of $5.9 million, reflected as a deferred income tax asset of $1.2 million.

As of December 31, 2021 and 2020, the Company had $52.1 million and $66.5 million, respectively, of undistributed earnings (net of foreign taxes) of foreign subsidiaries. Except for immaterial foreign currency exchange considerations, the Company will be able to repatriate these foreign earnings without U.S. federal taxation due to previously taxed income under the GILTI provisions.

The Company or one of its subsidiaries files income tax returns in the U.S. federal jurisdiction, various U.S. state jurisdictions and foreign jurisdictions. The Company is no longer subject to U.S. federal examination for years before 2018, to state and local examinations for years before 2017 and to non-U.S. income tax examinations for years before 2015. The following is a tabular reconciliation of the total amounts of uncertain tax positions as of and for the years ended December 31, 2021, 2020 and 2019:

	Year Ended December 31,		
	2021	2020	2019
Balance at January 1,	$ 8.0	$ 7.8	$ 10.1
Increases in prior period tax positions	0.1	1.1	0.7
Decreases in prior period tax positions	—	(0.2)	(1.2)
Increases in current period tax positions	0.5	0.6	0.6
Decreases due to lapse of statutes of limitations	(0.4)	(1.3)	(1.5)
Increases from business acquisitions	0.3	—	—
Decreases due to settlements with tax authorities	—	—	(0.9)
Balance at December 31,	$ 8.5	$ 8.0	$ 7.8

The $8.5 million of reserves for uncertain tax positions as of December 31, 2021 were reflected on the consolidated balance sheet as follows: $7.9 million netted against deferred income tax assets and $0.6 million in other noncurrent obligations. The $8.0 million of reserves for uncertain tax positions as of December 31, 2020 were reflected on the consolidated balance sheet as follows: $7.7 million netted against deferred income tax assets and $0.3 million in other noncurrent obligations.

If recognized, $6.8 million of the benefit for uncertain tax positions at December 31, 2021 would favorably affect the Company's effective tax rate in future periods. The Company files income tax returns and is subject to examination by various taxing jurisdictions. The Company records uncertain tax positions in accordance with ASC 740 on the basis of a two-step process in which (1) it is determined whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position, and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

The Company does not expect that facts and circumstances such as the expiration of statutes of limitations or the settlement of audits in the next twelve months will result in liabilities for uncertain income tax positions that are materially different than the amounts that were accrued as of December 31, 2021.

The Company recognizes accrued interest and penalties related to uncertain income tax positions in the Provision for income taxes on the consolidated statements of operations. As of December 31, 2021 and 2020, the Company had less than $0.1 million and $0.1 million, respectively, accrued for interest and penalties related to uncertain income tax positions.

As of December 31, 2021 and 2020, the Company had $5.3 million and $5.3 million of foreign tax credits, all of which the Company believes will expire unutilized. Therefore, as of December 31, 2021 and 2020, the Company recorded a full valuation allowance equal to the amount of this deferred income tax asset. As of December 31, 2021 and 2020, the

Company also had a valuation allowance of $9.1 million and $6.4 million, respectively, against the gross value of its state tax credits and NOLs. Including the federal benefit of state taxes, the net valuation allowance reflected on the consolidated balance sheets was $7.2 million and $5.1 million as of December 31, 2021 and 2020, respectively. In determining the need for a valuation allowance, the Company considers many factors, including specific taxing jurisdictions, sources of taxable income, income tax strategies and forecasted earnings for the entities in each jurisdiction. A valuation allowance is recognized if, based on the weight of available evidence, the Company concludes that it is more likely than not that some portion or all of the deferred income tax asset will not be realized.

Note 7. Debt

Long-term debt consisted of the following:

	December 31,	
	2021	2020
Term Loan B Credit Facility (variable rates) due April 2028	$ 447.8	$ —
Term Loan B Credit Facility (variable rates) extinguished April 2021	—	199.0
Global Revolving Credit Facility (variable rates) due December 2023	0.9	—
Second German Loan Agreement (2.45% fixed rate) due in quarterly installments ending September 2022	1.0	2.4
Third German Loan Agreement (1.45% fixed rate) due in quarterly installments ending September 2022	0.9	2.6
Deferred financing costs	(9.3)	(9.6)
Total Debt	441.3	194.4
Less: Debt payable within one year	6.4	4.9
Long-term debt	$ 434.9	$ 189.5

Term Loan B Credit Facility

On June 30, 2020, the Company entered into a Term Loan Credit Agreement (the “2020 Term Loan Credit Agreement”) by and among the Company, as borrower, certain of its domestic subsidiaries, as guarantors (the “Guarantors”, and together with the Company, the “2020 Term Loan Parties”), a syndicate of banks, financial institutions and other entities as lenders, and JPMorgan Chase Bank, N.A., as administrative agent for the lender group. The 2020 Term Loan Credit Agreement provided a seven-year Term Loan B credit facility (the "2020 Term B Facility") in the initial principal amount of $200 million (the "2020 Term Loan B"). Proceeds of the 2020 Term Loan B were used to redeem in full the Company’s 5.25% Senior Notes due 2021, repay borrowings under the Company’s senior secured revolving credit facility, pay fees and expenses of the transaction and for general corporate purposes.

On April 6, 2021, in connection with the Itasa Acquisition, the Company entered into an Amendment and Restatement Agreement (the "Term Loan Credit Agreement") which provides a seven-year term loan B facility (the "Term B Facility") in the initial principal amount of $450 million (the "Term Loan B"), which replaced the 2020 Term Loan B. The Term Loan B is repayable in equal quarterly installments, commencing on September 30, 2021, in an aggregate annual amount equal to 1% of the original principal amount of Term Loan B (subject to certain reductions in connection with debt repayments and debt buybacks). The entire unpaid principal balance of the Term Loan B will be due and payable at maturity on April 6, 2028. Cash proceeds of borrowings on the closing date under the Term Loan B were used by the Company to pay cash consideration for the Itasa Acquisition, including the repayment of certain existing debt of Itasa, and to pay fees and expenses in connection with the Itasa Acquisition, the Term Loan B and the contemporaneous amendment of the Global Revolving Credit Facility to permit the Itasa Acquisition. The Company recognized a $7.2 million loss on debt extinguishment in connection with the transaction.

Under the terms of the Term Loan Credit Agreement, and subject to certain conditions and adjustments, the Company may from time to time solicit the Term Loan B Lenders or new lenders to provide incremental term loan financings under the Term B Facility up to $150 million in the aggregate.

The obligations under the Term Loan Credit Agreement are jointly and severally guaranteed by the Company, as borrower, and certain of its domestic subsidiaries, as guarantors (the "Guarantors", and together with the Company, the "Term Loan Parties") and are secured by all or substantially all of the assets of the Term Loan Parties, including (i) a first-priority security interest in substantially all of the tangible and intangible non-current assets of the Term Loan Parties (collectively, the “TLB Priority Collateral”), and (ii) a second-priority security interest in substantially all of the current assets of the Term Loan Parties comprising priority collateral of the lenders under the Global Revolving Credit Facility described below (the “ABL Priority Collateral”).

Under the terms of the Term Loan Credit Agreement, borrowings under the Term B Facility will bear interest, as selected by the Company, at a per annum rate equal to either (a) the reserve-adjusted LIBOR rate for interest periods of one or three months, plus an applicable rate of 3.0% per annum, or (b) the Alternate Base Rate (as defined in the Term B Credit Agreement), plus an applicable rate of 2.0% per annum. The Alternate Base Rate is subject to a “floor” of 1.5%, and the adjusted LIBOR rate is subject to a “floor” of 0.5%. As of December 31, 2021, the weighted-average interest rate on outstanding Term Loan borrowings was 3.5% per annum. The Term Loan Credit Agreement includes customary LIBOR replacement language, including, but not limited to, the use of rates based on the secured overnight financing rate (“SOFR”) recommended by the Alternative Reference Rates Committee, a steering committee comprised of U.S. financial market participants, as a replacement rate for LIBOR. SOFR is a broad measure of the cost of borrowing cash in the overnight U.S. Treasury repo market, and is administered by the Federal Reserve Bank of New York.

In addition to mandatory prepayments with net cash proceeds of certain debt issuances and certain asset dispositions, the Company is required to make mandatory prepayments of the Term Loan B from excess cash flow (as defined in the Term B Credit Agreement), commencing with the fiscal year ending December 31, 2021, based on certain secured leverage ratio levels, among other requirements, as per below:

Secured leverage ratio levels	Mandatory prepayments
< 2.75	No prepayments required
2.75 - 3.25	25% of Excess Cash Flow
> 3.25	50% of Excess Cash Flow

The Term Loan Credit Agreement contains covenants and events of default which the Company believes are customary for agreements of this nature. Among other things, such covenants restrict the ability of the Company and its subsidiaries to incur certain debt, incur or create certain liens, make specified restricted payments, authorize or issue capital stock, enter into transactions with their affiliates, consolidate, merge with or acquire another business, sell certain of their assets, or dissolve or wind up.

Under the most restrictive terms of the Term Loan Credit Agreement, the Company is permitted to pay cash dividends and repurchase shares of Neenah's common stock in an aggregate amount not to exceed $8,750,000 per fiscal quarter. However, as long as the total leverage ratio calculated in accordance with the Term Loan Credit Agreement does not exceed 3.0 to 1.0, the Company can pay dividends or repurchase shares without limitation. In the event the total leverage ratio exceeds 3.0 to 1.0 but is less than or equal to 4.0 to 1.0, the Company may still pay dividends or repurchase shares of Neenah common stock in an aggregate amount in excess of $8,750,000 per fiscal quarter by utilizing certain "restricted payment baskets" described in the Term Loan Credit Agreement. As of December 31, 2021, the total leverage ratio was 3.7 to 1.0. In addition, Neenah would be permitted to pay cash dividends and repurchase shares of, Neenah common stock in excess of $8,750,000 per fiscal quarter if the aggregate amount of such payments, together with the amount of redemptions or prepayments of certain indebtedness, is less than or equal to the greater of (i) $125 million and (ii) 15% of consolidated tangible assets. As of December 31, 2021, none of these covenants restricted our ability to pay dividends on or repurchase shares of our common stock.

Amended and Restated Secured Global Revolving Credit Facility

On December 10, 2018, the Company amended and restated its existing credit facility by entering into the Fourth Amended and Restated Credit Agreement (the "Fourth Amended Credit Agreement", and as amended from time to time, the "Revolving Credit Agreement") by and among the Company and certain of its domestic subsidiaries (the "Domestic Borrowers"), Neenah Services GmbH & Co. KG and certain of its German subsidiaries (the "German Borrowers," and together with the Domestic Borrowers, the "ABL Borrowers")), certain other subsidiaries as the "German Guarantors", the financial institutions signatory to the Fourth Amended Credit Agreement as lenders (the "Lenders"), and JPMorgan Chase Bank, N.A., as agent for the Lenders (the "ABL Administrative Agent").

The Revolving Credit Agreement provides for a $125 million secured revolving credit facility for the Domestic Borrowers (the "U.S. Revolving Credit Facility") and a $50 million secured, multicurrency revolving credit facility for the German Borrowers (the "German Revolving Credit Facility," and together with the U.S. Revolving Credit Facility, the "Global Revolving Credit Facility"). The Global Revolving Credit Facility, which matures on December 10, 2023, contains an accordion feature permitting one or more increases in the Global Revolving Credit Facility in an aggregate principal amount not exceeding $125 million, such that the aggregate commitments under the Global Revolving Credit Facility do not exceed $300 million. In addition, the Domestic Borrowers may request letters of credit under the U.S. Revolving Credit Facility in an aggregate face amount not to exceed $20 million outstanding at any time, and the German Borrowers may request letters of credit under the German Revolving Credit Facility in an aggregate face amount not to exceed $5 million outstanding at any time.

On April 6, 2021, in connection with the Itasa Acquisition, the Company amended the Fourth Amended Credit Agreement by entering into a Fourth Amendment to Fourth Amended and Restated Credit Agreement (the "Fourth Amendment"). The Fourth Amendment, among other things, added provisions (a) specifically permitting the consummation of the Itasa Acquisition, (b) permitting the incurrence of the Term Loan B, and (c) permitting certain indebtedness, liens and other transactions to facilitate consummation of the Itasa Acquisition and the financing of working capital for Itasa.

On November 16, 2021, the Company further amended the Fourth Amended Credit Agreement by entering into a Fifth Amendment (the "Fifth Amendment"). The Fifth Amendment modified certain provisions of the Fourth Amended Credit Agreement to address the discontinuation of LIBOR published rates for Euro and Sterling denominated borrowings on December 31, 2021 and the planned discontinuation of LIBOR published rates for United States Dollar denominated borrowings after June 30, 2023. The Fifth Amendment provides customary LIBOR replacement language, including, among other things, (i) rules on determination of the replacement reference interest rates upon occurrence of specific events, (ii) the mechanics of how applicable interest rates will be determined in each case, (iii) the applicable fallback reference interest rates in case determination fails or rate ceases to be determinable. For loans not denominated in United States dollars, the Fifth Amendment provided that from the effective date of such amendment, (a) Euro-denominated loans under the Global Revolving Credit Facility would bear interest based on (1) the Euro short-term rate for German swingline borrowings, and (2) the Euro interbank offered rate for loans under the German Revolving Credit Facility other than swingline borrowings, for interest periods of one or three months, and (b) Sterling-denominated loans would bear interest based upon the Sterling overnight index average ("SONIA"). There were no Euro or Sterling-denominated loans outstanding under the Global Revolving Credit Facility as of December 31, 2021. For United States dollar-denominated loans under the Global Revolving Credit Facility, the LIBOR replacement language includes, without limitation, the use of rates based on SOFR as a replacement rate for LIBOR.

The consolidated statements of cash flows present borrowings and repayments under the Global Revolving Credit Facility and the predecessor revolving bank credit facility using a gross approach. This approach presents not only discrete borrowings for transactions such as a business acquisition, but also reflects all borrowings and repayments that occur as part of daily management of cash receipts and disbursements. For the years ended December 31, 2021, 2020, and 2019 all of the borrowings related to daily cash management.

The right of the Domestic Borrowers to borrow and obtain letters of credit under the U.S. Revolving Credit Facility is subject to, among other things, the borrowing base of the Domestic Borrowers on a consolidated basis (the "Domestic Borrowing Base"). The right of the German Borrowers to borrow and obtain letters of credit under the German Revolving Credit Facility is similarly subject to a borrowing base requirement (the "German Borrowing Base"). The German Borrowing Base is initially determined on a combined basis for all German Borrowers. Under certain circumstances

(including the occurrence of an event of default resulting from an act or omission of any German Borrower or German Guarantor), the ABL Administrative Agent may require the German Borrowing Base to be determined separately for each of the German Borrowers. At its option the Company may, from time to time, allocate a portion of the Domestic Borrowing Base to the German Borrowing Base (resulting in a corresponding reduction of the Domestic Borrowing Base); however, the principal amount of borrowings and the outstanding letter of credit exposure under the German Revolving Credit Facility may not at any time exceed the German Revolving Credit Facility commitment amount then in effect.

The guarantees of the German Guarantors are limited solely to the German Revolving Credit Facility obligations. Under the terms of the Revolving Credit Agreement and related loan documentation, neither the German Borrowers nor the German Guarantors (collectively, the "German Loan Parties") will be liable for any obligations relating to the U.S. Revolving Credit Facility. The Global Revolving Credit Facility is secured by liens on all or substantially all of the assets of the Domestic Borrowers, including (i) a first-priority security interest in substantially all of their ABL Priority Collateral, and (ii) a second-priority security interest in their TLB Priority Collateral. The German Revolving Credit Facility is secured by liens on all or substantially all of the assets of the German Borrowers and certain assets of the German Guarantors. Any liens granted by the German Loan Parties secure only the German Revolving Credit Facility obligations.

Terms, Covenants and Events of Default. In general, borrowings under the Global Revolving Credit Facility will bear interest at the published benchmark rate for the denominated currency of the applicable borrowing (the "Benchmark Rate") (which cannot be less than zero) plus an applicable margin ranging from 1.25% to 1.75%, depending on the amount of availability under the Global Revolving Credit Agreement. The Benchmark Rate for United States dollar-denominated borrowings is currently reserve-adjusted LIBOR for the relevant interest period.

In addition, the Company may elect an alternate borrowing rate ("ABR") for United States dollar-denominated borrowings under the Global Revolving Credit Facility. ABR borrowings under the Global Revolving Credit Facility will bear interest at the highest interest rate shown in the following table:

	Applicable Margin (a)	
	U.S. Revolving Credit Facility	German Revolving Credit Facility
Prime rate	0% to 0.25%	Not applicable
Federal funds rate +0.50%	0% to 0.25%	Not applicable
Monthly Benchmark Rate (which cannot be less than zero) +1.00%	0% to 0.25%	Not applicable
Overnight Benchmark (which cannot be less than zero)	Not applicable	1.25%-1.75%

(a) The applicable margin within the ranges above depends on the amount of availability under the Global Revolving Credit Agreement.

The Company is also required to pay a monthly commitment fee on the unused amounts available under the Global Revolving Credit Facility at a per annum rate of 0.25%.

If specified excess availability (i.e., aggregate availability, plus any excess of the aggregate borrowing base over the aggregate commitments under the Global Revolving Credit Facility as then in effect, subject to certain limitations) under the Global Revolving Credit Facility is less than the applicable threshold set forth in the Revolving Credit Agreement, the Company is required to comply with a fixed charge coverage ratio (as defined in the Revolving Credit Agreement), which is tested quarterly. As of December 31, 2021, specified excess availability under the Global Revolving Credit Facility exceeded the minimum required amount, and the Company was not required to comply with such fixed charge coverage ratio.

The Revolving Credit Agreement contains representations and warranties, affirmative, reporting and negative covenants, events of default and other terms which the Company believes are ordinary and standard for agreements of this nature, with which the Company and its subsidiaries must comply during the term of the agreement. Among other things, such covenants restrict the ability of the Company and its subsidiaries to incur certain debt, incur or create certain liens, make specified restricted payments, authorize or issue capital stock, enter into transactions with their affiliates, consolidate, merge with or acquire another business, sell certain of their assets, or dissolve or wind-up.

Under the terms of the Revolving Credit Agreement, we are permitted to pay cash dividends on, and repurchase shares of, Neenah common stock without limitation, as long as the specified excess availability exceeds the applicable threshold provided under the Revolving Credit Agreement. If the specified excess availability is less than the applicable threshold, the Company is subject to certain restrictions on the amount of cash dividends we are permitted to declare and the amount of share repurchases Neenah is permitted to execute. As of December 31, 2021, the Company's availability exceeded the applicable threshold, so this restriction did not apply.

Availability under the Global Revolving Credit Facility varies over time depending on the value of the inventory and receivables of the respective ABL Borrowers and also (in the case of the German Revolving Credit Facility) various capital assets of the German Borrowers. As of December 31, 2021, the Company had $0.9 million in borrowings and $0.3 million in letters of credit outstanding under the Global Revolving Credit Facility and $146.1 million of available credit (based on exchanges rates at December 31, 2021). As of December 31, 2021 and 2020, the weighted-average interest rate on outstanding borrowings under the Global Revolving Credit Facility was 1.3% per annum.

Other Debt

In January 2013, Neenah Germany entered into a project financing agreement for the construction of a melt blown machine (the "Second German Loan Agreement"). The Second German Loan Agreement provided €9.0 million of construction financing which is secured by the melt blown machine. The loan matures in September 2022 and principal is repaid in equal quarterly installments. The interest rate on amounts outstanding is 2.45% and is payable quarterly. At December 31, 2021, €0.9 million ($1.0 million, based on exchange rates at December 31, 2021) was outstanding under the Second German Loan Agreement.

In May 2018, Neenah Germany entered into a project financing agreement for the construction of a regenerative thermal oxidizer ("RTO") (the "Third German Loan Agreement"). The purposes of the project were to increase the capacity of the existing saturators and ensure compliance with new European air emission standards. The Third German Loan Agreement provided €5.0 million of financing and is secured by the asset. The loan matures in September 2022 and principal is repaid in equal quarterly installments. The interest rate on amounts outstanding is 1.45% and is payable quarterly. At December 31, 2021, €0.8 million ($0.9 million, based on exchange rates at December 31, 2021) was outstanding under the Third German Loan Agreement.

Principal Payments

The following table presents the Company's required debt payments:

	2022	2023	2024	2025	2026	Thereafter	Total
Debt payments	$ 6.4	$ 5.4	$ 4.5	$ 4.5	$ 4.5	$ 425.3	$ 450.6

Note 8. Pension and Other Post-employment Benefits

Pension Plans

Substantially all active employees of the Company's U.S. operations participate in defined benefit pension plans and/or defined contribution retirement plans. The Company also has defined benefit plans and/or alternative retirement plans for substantially all its employees in Germany, the U.K., and the Netherlands. In addition, the Company maintains a SERP which is a non-qualified defined benefit plan. The Company provides benefits under the SERP to the extent necessary to fulfill the intent of its defined benefit retirement plans without regard to the limitations set by the Internal Revenue Code on qualified defined benefit plans.

The Company's policy is to recognize settlement losses for deferred vested pension benefit payments regardless of whether the amount exceeded the sum of expected service cost and interest costs of the pension plan for the respective calendar year. During 2021, 2020, 2019, the Company recorded $17.1 million, $0.3 million and $0.1 million of settlement losses related to total pension trust fund payments of $68.8 million, $1.2 million, $0.5 million, respectively. In addition, a curtailment loss of $0.3 million was realized in 2021 in conjunction with permanent closure of the Appleton facility and a curtailment gain of $1.6 million was recorded in 2019, as discussed below.

During November 2021, to reduce pension risk of a U.S. pension plan, the Company liquidated trust assets to acquire a $64 million group insurance annuity for 1,400 retirees with relatively small monthly pension benefits. Recognition of a pro-rata share of the cumulative actuarial losses was triggered by this transaction, resulting in a $15.6 million settlement loss.

Historically, the Company contributed to the PACE Industry Union-Management Pension Fund (the “PIUMPF"), a multiemployer pension plan. Effective July 1, 2018, the Company and representatives of the United Steelworkers Union (the "USW") of the Lowville mill withdrew from the PIUMPF. In October 2019, the Company received a billing from PIUMPF of a withdrawal liability, which the Company challenged, but began making monthly payments totaling $0.1 million per year over 20 years. In December 2020, the Company reached a settlement with PIUMPF and paid $1.2 million related to the accumulated funding deficiency and recognized a settlement loss of such amount.

In 2018 and 2019, the Company separately reached agreements with its hourly employee unions in the Netherlands and select U.S. locations that closed new participation to its defined benefit plans. All new hourly employees at these locations will participate in new defined contribution plans. At the time of the agreements, current hourly employees (with the exception of select long-tenured hourly U.S. employees) had their benefit frozen at the current levels under the defined benefit plan and began participation in the new defined contribution plans. In 2019, the Company recognized a curtailment gain of $1.6 million due to these changes in the Netherlands.

The Company's funding policy for its U.S. qualified defined benefit plans and its U.K. defined benefit plan is to contribute assets in compliance with regulatory requirements to fund the projected benefit obligation. There is no legal or governmental obligation to fund Neenah Germany's benefit plans and as such the Neenah Germany defined benefit plans are currently unfunded. The Neenah Coldenhove retirement benefit obligations are administered by a third-party insurance company, and funding for these benefits comes from premiums paid. Nonqualified plans providing pension benefits in excess of limitations imposed by taxing authorities are not funded.

During the year ended December 31, 2021 and 2020, the Company's funded status of its pension benefits improved $27.7 million and $8.8 million, respectively, from the prior year, due primarily to higher than expected investment returns and an increase in discount rates.

The Company uses the fair value of pension plan assets to determine pension expense, rather than averaging gains and losses over a period of years. Investment gains or losses represent the difference between the expected return calculated using the fair value of the assets and the actual return based on the fair value of assets. The Company's pension obligations are measured annually as of December 31.

Other Post-employment Benefit Plans

The Company maintains post-employment health care and life insurance benefit plans for certain active employees of the Company and former employees of the Canadian pulp operations. These plans are not funded, however as of December 31, 2021, Neenah Germany had investments of $2.5 million that were restricted for the payment of certain post-employment benefits, with $0.7 million and $1.8 million of such investments classified as Prepaid and other current assets and Other assets, respectively, on the consolidated balance sheet. The Canadian plans are generally noncontributory for employees who were eligible to retire on or before December 31, 1992 and contributory for most employees who became eligible to retire on or after January 1, 1993. The Company does not provide a subsidized benefit to non-union U.S. employees hired after 2003 or collectively bargained employees after 2005. The Company's obligations for post-employment benefits other than pensions are measured annually as of December 31.

The following table reconciles the benefit obligations, plan assets, funded status and net liability information of the Company's pension and other post-employment benefit plans:

	Pension Benefits		Post-employment Benefits Other than Pensions	
	Year Ended December 31,			
	2021	2020	2021	2020
Change in Benefit Obligation:				
Benefit obligation at beginning of year	$ 531.5	$ 482.4	$ 39.8	$ 39.7
Service cost	3.9	4.6	1.0	1.0
Interest cost	12.5	14.1	0.6	1.0
Currency	(8.1)	9.7	(0.2)	0.3
Actuarial (gain) loss	(12.4)	44.6	—	2.5
Benefit payments from plans	(23.6)	(22.3)	(5.7)	(4.7)
Plan curtailment	(0.3)	—	(0.8)	—
Settlement payments	(68.8)	(1.6)	—	—
Other	—	—	—	—
Benefit obligation at end of year	$ 434.7	$ 531.5	$ 34.7	$ 39.8
Change in Plan Assets:				
Fair value of plan assets at beginning of year	$ 464.4	$ 424.1	$ —	$ —
Actual gain (loss) on plan assets	22.0	51.9	—	—
Employer contributions	5.8	6.8	5.7	—
Currency	(4.5)	5.5	—	—
Benefit payments	(23.6)	(22.3)	(5.7)	—
Settlement payments	(68.8)	(1.6)	—	—
Other	—	—	—	—
Fair value of plan assets at end of year	$ 395.3	$ 464.4	$ —	$ —
Reconciliation of Funded Status				
Fair value of plan assets	$ 395.3	$ 464.4	$ —	$ —
Projected benefit obligation	434.7	531.5	34.7	39.8
Net liability recognized in statement of financial position	$ (39.4)	$ (67.1)	$ (34.7)	$ (39.8)
Amounts Recognized in the Consolidated Balance Sheets Consist of				
Noncurrent assets	$ 9.5	$ —	$ —	$ —
Current liabilities	(1.5)	(5.1)	(5.5)	(6.0)
Noncurrent liabilities	(47.4)	(62.0)	(29.2)	(33.8)
Net amount recognized	$ (39.4)	$ (67.1)	$ (34.7)	$ (39.8)

Amounts recognized in accumulated other comprehensive income (loss) consist of:

	Pension Benefits		Post-employment Benefits Other than Pensions	
	December 31,			
	2021	2020	2021	2020
Accumulated actuarial loss	$ 89.2	$ 126.8	$ 6.6	$ 8.8
Prior service cost	0.1	0.6	—	—
Total recognized in AOCI	$ 89.3	$ 127.4	$ 6.6	$ 8.8

Summary disaggregated information about the pension plans on an accumulated benefit obligation ("ABO") basis follows:

	December 31,					
	Assets Exceed ABO		ABO Exceeds Assets		Total	
	2021	2020	2021	2020	2021	2020
Projected benefit obligation	$ 323.4	$ —	$ 111.3	$ 531.5	$ 434.7	$ 531.5
Accumulated benefit obligation	318.9	—	111.3	527.9	430.2	527.9
Fair value of plan assets	331.0	—	64.3	464.4	395.3	464.4

Summary disaggregated information about the pension plans on a projected benefit obligation ("PBO") basis follows:

	December 31,					
	Assets Exceed PBO		PBO Exceeds Assets		Total	
	2021	2020	2021	2020	2021	2020
Projected benefit obligation	$ 229.2	$ —	$ 205.5	$ 531.5	$ 434.7	$ 531.5
Fair value of plan assets	238.7	—	156.6	464.4	395.3	464.4

Summary disaggregated information about post-employment benefits other than pensions follows:

	December 31,					
	Assets Exceed PBO		PBO Exceeds Assets		Total	
	2021	2020	2021	2020	2021	2020
Projected benefit obligation	$ —	$ —	$ 34.7	$ 39.8	$ 34.7	$ 39.8
Fair value of plan assets	—	—	—	—	—	—

Components of Net Periodic Benefit Cost

	Pension Benefits			Post-employment Benefits Other than Pensions		
	Year Ended December 31,					
	2021	2020	2019	2021	2020	2019
Service cost	$ 3.9	$ 4.6	$ 5.0	$ 1.0	$ 1.0	$ 1.2
Interest cost	12.5	14.1	16.2	0.6	1.0	1.5
Expected return on plan assets (a)	(19.8)	(20.7)	(21.1)	—	—	—
Recognized net actuarial loss	4.5	5.4	4.9	1.4	0.9	0.9
Amortization of prior service cost (credit)	0.2	0.3	0.2	—	—	—
Curtailment loss (gain)	0.3	—	(1.6)	—	—	—
Settlement loss	17.1	0.3	0.1	—	—	—
Net periodic benefit cost	$18.7	$ 4.0	$ 3.7	$ 3.0	$ 2.9	$ 3.6

(a) The expected return on plan assets, excluding the Neenah Coldenhove plan assets, is determined by multiplying the fair value of plan assets at the prior year-end (adjusted for estimated current year cash benefit payments and contributions) by the expected long-term rate of return. The Neenah Coldenhove pension plan is funded through an insurance contract, and the expected return on plan assets is calculated based on the discount rate of the insured obligations.

Other Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income (Loss)

	Pension Benefits			Post-employment Benefits Other than Pensions		
	Year Ended December 31,					
	2021	2020	2019	2021	2020	2019
Net periodic benefit expense	$ 18.7	$ 4.0	$ 3.7	$ 3.0	$ 2.9	$ 3.6
Accumulated actuarial gain (loss)	(37.6)	9.0	7.7	(2.2)	1.6	(1.5)
Prior service cost (credit)	(0.5)	(0.3)	0.2	—	—	—
Total recognized in other comprehensive income (loss)	(38.1)	8.7	7.9	(2.2)	1.6	(1.5)
Total recognized in net periodic benefit cost and other comprehensive income (loss)	$(19.4)	$ 12.7	$11.6	$ 0.8	$ 4.5	$ 2.1

Weighted-Average Assumptions Used to Determine Benefit Obligations at December 31

	Pension Benefits		Post-employment Benefits Other than Pensions	
	2021	2020	2021	2020
Discount rate	2.58 %	2.28 %	2.25 %	1.67 %
Rate of compensation increase	1.47 %	1.54 %	— %	— %
Initial healthcare cost trend rate	— %	— %	5.20 %	5.25 %
Ultimate healthcare cost trend rate	— %	— %	4.00 %	4.00 %
Ultimate year	—	—	2045	2045

Weighted-Average Assumptions Used to Determine Net Periodic Benefit Cost for Years Ended December 31

	Pension Benefits			Post-employment Benefits Other than Pensions		
	Year Ended December 31,					
	2021	2020	2019	2021	2020	2019
Discount rate	2.53 %	2.98 %	3.78 %	1.67 %	2.68 %	3.84 %
Expected long-term return on plan assets (a)	4.90 %	5.42 %	5.91 %	— %	— %	— %
Rate of compensation increase	1.54 %	2.05 %	2.33 %	2.50 %	2.50 %	2.50 %
Initial healthcare cost trend rate	— %	— %	— %	5.25 %	6.10 %	6.50 %
Ultimate healthcare cost trend rate	— %	— %	— %	4.00 %	4.50 %	4.50 %
Ultimate year	—	—	—	2045	2037	2037

(a) The expected long-term return on plan assets does not include the Neenah Coldenhove plan assets. The Neenah Coldenhove pension plan is funded through an insurance contract, and the expected return on plan assets is calculated based on the discount rate of the insured obligations.

Expected Long-Term Rate of Return and Investment Strategies

The expected long-term rate of return on pension fund assets held by the Company's pension trusts was determined based on several factors, including input from pension investment consultants and projected long-term returns of broad equity and bond indices. Also considered were the plans' historical compounded annual returns. It is anticipated that, on average, the managed pension plan assets will generate a return of 5 to 6 percent. The expected long-term rate of return on the assets in the plans was based on an asset allocation assumption of approximately 32 percent with equity managers, with expected long-term rates of return of approximately 7 to 9 percent, 10 percent with hedge funds/other, with expected long-term rates of return of approximately 4 to 6 percent, and 58 percent with fixed income managers, with an expected long-term rate of return of about 2 to 4 percent. The actual asset allocation is regularly reviewed and periodically rebalanced to the targeted allocation when considered appropriate.

Plan Assets

Pension plan asset allocations are as follows:

	Percentage of Plan Assets At December 31,	
	2021	2020
Asset Category (a)		
Equity securities	32 %	36 %
Hedge fund / Other	10 %	8 %
Debt securities / Fixed Income	57 %	56 %
Cash and money-market funds	1 %	— %
Total	100 %	100 %

(a) The asset categories do not include the insurance contract related to the Neenah Coldenhove pension plan.

The Company's investment objective for pension plan assets is to ensure, over the long-term life of the pension plans, an adequate pool of assets to support the benefit obligations to participants, retirees, and beneficiaries. Specifically, these objectives include the desire to: (a) invest assets in a manner such that future assets are available to fund liabilities, (b) maintain liquidity sufficient to pay current benefits when due and (c) diversify, over time, among asset classes so assets earn a reasonable return with acceptable risk to capital.

The weighted average target investment allocation and permissible allocation range for plan assets by category are as follows:

	Strategic Target	Permitted Range
Asset Category		
Equity securities	32 %	27%-37%
Hedge fund / Other	8 %	3%-13%
Debt securities / Fixed Income	60 %	55%-65%

As of December 31, 2021, no company or group of companies in a single industry represented more than 5 percent of plan assets.

The Company's investment assumptions are established by an investment committee composed of members of senior management and are validated periodically against actual investment returns. As of December 31, 2021, the Company's investment assumptions are as follows:

(1) The plan should be substantially fully invested in debt and equity securities at all times because substantial cash holdings will reduce long-term rates of return;
(2) Equity investments will provide greater long-term returns than fixed income investments, although with greater short-term volatility;
(3) It is prudent to diversify plan investments across major asset classes;
(4) Allocating a portion of plan assets to foreign equities will increase portfolio diversification, decrease portfolio risk and provide the potential for long-term returns;
(5) Investment managers with active mandates can reduce portfolio risk below market risk and potentially add value through security selection strategies, and a portion of plan assets should be allocated to such active mandates;

(6) A component of passive, indexed management can benefit the plans through greater diversification and lower cost, and a portion of the plan assets should be allocated to such passive mandates, and
(7) It is appropriate to retain more than one investment manager, given the size of the plans, provided that such managers offer asset class or style diversification.

For the years ended December 31, 2021, 2020 and 2019, no plan assets were invested in the Company's securities.

Cash Flows

At December 31, 2021, the Company expects to make aggregate contributions to qualified and nonqualified defined benefit pension trusts and to pay pension benefits for unfunded pension and other post-employment benefit plans in 2022 of approximately $10 million (based on exchange rates at December 31, 2021).

Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

	Pension Plans	Post-employment Benefits Other than Pensions
2022	$ 19.3	$ 5.4
2023	20.0	4.4
2024	20.7	4.1
2025	21.0	3.7
2026	21.3	3.3
Years 2026-2030	110.4	11.1

Defined Contribution Retirement Plans

Company contributions to defined contribution retirement plans are based on various factors for covered employees. Contributions to these plans, all of which were charged to expense, were $1.6 million in 2021, $1.8 million in 2020 and $2.0 million in 2019. In addition, the Company maintains a supplemental retirement contribution plan (the "SRCP") which is a non-qualified, unfunded defined contribution plan. The Company provides benefits under the SRCP to the extent necessary to fulfill the intent of its defined contribution retirement plans without regard to the limitations set by the Internal Revenue Code on qualified defined contribution plans. For the years ended December 31, 2021, 2020 and 2019, .the Company recognized expense related to the SRCP of $0.3 million, $0.4 million and $0.4 million, respectively. At December 31, 2021 and December 31, 2020, the unfunded obligation of the SRCP was $1.1 million and $2.0 million, respectively.

Investment Plans

The Company provides voluntary contribution investment plans (401(k) plans) to substantially all North American employees. Under the plans, the Company matches a portion of employee contributions. For the years ended December 31, 2021, 2020 and 2019, costs charged to expense for Company matching contributions under these plans were $5.3 million, $4.6 million and $4.7 million, respectively.

Note 9. Stock Compensation Plans

The Company established the 2004 Omnibus Stock and Incentive Plan (the "2004 Omnibus Plan") in December 2004 and reserved 3,500,000 shares of $0.01 par value common stock ("Common Stock") for issuance under the Omnibus Plan. Pursuant to the terms of the 2004 Omnibus Plan, the compensation committee of the Company's Board of Directors may grant various types of equity-based compensation awards, including incentive and nonqualified stock options, SARs, RSUs and PSUs, in addition to certain cash-based awards. All grants under the Omnibus Plan will be made at fair market value and no grant may be repriced. In general, the options expire 10 years from the date of grant and vest over a 3-year service period.

At the 2018 Annual Meeting of Stockholders, the Company's stockholders approved an amendment and restatement of the 2004 Omnibus Plan (as amended and restated the "2018 Omnibus Plan"). The amendment and restatement authorized the Company to reserve an additional 800,000 shares of Common Stock for future issuance. As of December 31, 2021, the Company had 588,903 shares of Common Stock reserved for future issuance under the 2018 Omnibus Plan. As of December 31, 2021, the number of shares available for future issuance was reduced by approximately 38,926 shares for outstanding SARs where the closing market price for the Company's common stock was greater than the exercise price of the SAR. The Company accounts for stock-based compensation pursuant to the fair value recognition provisions of ASC Topic 718, *Compensation — Stock Compensation* ("ASC Topic 718").

Valuation and Expense Information Under ASC Topic 718

Substantially all stock-based compensation expense has been recorded in Selling, general and administrative expenses on the consolidated statements of operations. The following table summarizes stock-based compensation costs and related income tax benefits.

	Year Ended December 31,		
	2021	2020	2019
Stock-based compensation expense	$ 4.5	$ 4.2	$ 5.6
Income tax benefit	(1.1)	(1.1)	(1.4)
Stock-based compensation, net of income tax benefit	$ 3.4	$ 3.1	$ 4.2

The following table summarizes total compensation costs related to the Company's equity awards and amounts recognized in the year ended December 31, 2021:

	PSUs and RSUs
Unrecognized compensation cost — December 31, 2020	$ 3.9
Grant date fair value current year grants	6.6
Shares forfeited	(0.2)
Compensation expense recognized	(4.5)
Unrecognized compensation cost — December 31, 2021	$ 5.8
Expected amortization period (in years)	1.8

Stock Options/SARs

Prior to 2020, Company granted nonqualified stock options to certain non-U.S. employees and SARs (collectively 'stock options') to certain U.S. employees. Upon exercise, the holder of a SAR receives common shares equal to the number of

SARs exercised multiplied by a fraction where the numerator is equal to the market price at the time of exercise minus the exercise price of the SAR and the denominator is equal to the market price at the time of exercise. The SARs can only be settled for shares of Common Stock and the Company does not receive any cash proceeds upon exercise.

There were no stock options awarded during the years ended December 31, 2021 and 2020. The following tables present information regarding stock options awarded during the year ended December 31, 2019.

	2019
Stock options granted	1,272
Per share weighted-average exercise price	$66.59
Per share weighted-average grant date fair value	$10.32

The weighted-average grant date fair value for stock options granted for the year ended December 31, 2019 was estimated using the Black-Scholes option valuation model with the following assumptions:

	2019
Expected term in years	5.0
Risk free interest rate	1.8 %
Volatility	23.1 %
Dividend yield	3.0 %

Expected volatility and the expected term were estimated by reference to the historical stock price performance of the Company and historical data for the Company's stock option awards, respectively. The risk-free interest rate was based on the yield on U.S. Treasury bonds with a remaining term approximately equal to the expected term of the stock option awards. Forfeitures were estimated at the date of grant.

The following table summarizes stock option activity under the Omnibus Plan for the year ended December 31, 2021:

	Number of Stock Options	Weighted-Average Exercise Price
Options outstanding — December 31, 2020	380,844	$70.99
Add: Options granted	—	—
Less: Options exercised	15,118	$27.28
Less: Options forfeited/cancelled	4,295	$75.59
Options outstanding — December 31, 2021	361,431	$72.76

The status of outstanding and exercisable stock options as of December 31, 2021, summarized by exercise price follows:

	Options Vested or Expected to Vest				Options Exercisable		
Exercise Price	Number of Options	Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Aggregate Intrinsic Value (a)	Number of Options	Weighted-Average Exercise Price	Aggregate Intrinsic Value (a)
$24.09 — $42.82	38,926	1.5	$36.61	$ 0.4	37,796	$36.42	$ 0.4
$48.19 — $72.29	109,894	3.8	$58.37	—	109,136	$58.31	—
$74.20 — $93.35	212,611	5.5	$86.82	—	212,611	$86.82	—
	361,431	4.5	$72.76	$ 0.4	359,543	$72.87	$ 0.4

(a) Represents the total pre-tax intrinsic value as of December 31, 2021 that option holders would have received had they exercised their options as of such date. The pre-tax intrinsic value is based on the closing market price for the Company's common stock of $46.28 on December 31, 2021.

For the year ended December 31, 2021, the aggregate grant date fair value of options vested was $0.2 million. The aggregate pre-tax intrinsic value of stock options exercised for the years ended December 31, 2021, 2020 and 2019 was $0.4 million, $0.3 million and $1.2 million, respectively.

The following table summarizes the status of the Company's unvested stock options as of December 31, 2021 and activity for the year then ended:

	Number of Stock Options	Weighted-Average Grant Date Fair Value
Outstanding — December 31, 2020	18,193	$14.48
Add: Options granted	—	—
Less: Options vested	16,126	$14.96
Less: Options forfeited	179	$15.03
Outstanding — December 31, 2021	1,888	$10.32

PSUs/RSUs

For the year ended December 31, 2021, the Company granted target awards of 86,584 PSUs. The measurement period for the PSUs is January 1, 2021 through December 31, 2023. Common Stock equal to not more than 200 percent of the PSUs target will be awarded based on the Company’s return on invested capital, consolidated revenue growth, free cash flow and total return to shareholders relative to the companies in the Russell 2000® Value small cap index. The Company’s return on invested capital, consolidated revenue growth and free cash flow are adjusted for certain items as further described in the Performance Share Unit Award Agreement.

As of December 31, 2021, the PSU awards were sized at 100 percent of the PSU target value. The market price on the date of grant for the PSUs was $53.00 per share. At the end of the measurement period, the PSUs convert into shares of Common Stock, at the determined rate mentioned above. The Company is recognizing stock-based compensation expense pro-rata over the vesting term of the PSUs/RSUs. For further discussion on participating securities refer to Note 3, "Earnings Per Share."

For the year ended December 31, 2021, the Company awarded 11,174 RSUs to non-employee members of the Board of Directors and 44,178 RSUs to employees. The weighted-average grant date fair value of such awards was $53.21 per share and the awards vest one year from the date of grant for the Board of Directors grants and vest in equal amounts per year for three years on the grant date anniversary for the employee grants. During the vesting period, the holders of the RSUs are entitled to dividends, but the RSUs do not have voting rights and are forfeited in the event the holder is no longer an employee or member of the Board of Directors on the vesting date, as further described in the Restricted Stock Unit Award Agreement.

The following table summarizes the activity of the Company's unvested stock-based awards (other than stock options) for the years ended December 31, 2021, 2020 and 2019:

	RSUs	Weighted-Average Grant Date Fair Value	PSUs	Weighted-Average Grant Date Fair Value
Outstanding — December 31, 2018	53,460	$67.53	47,221	$93.21
Shares granted (a)	46,556	$67.04	49,730	$69.05
Shares vested	(63,595)	$72.91	—	—
Performance shares vested	10,354	$93.21	(25,833)	$93.21
Shares expired or cancelled	(2,113)	$69.35	(4,927)	$85.67
Outstanding — December 31, 2019	44,662	$65.23	66,191	$75.62
Shares granted (a)	100,418	$56.39	44,206	$63.07
Shares vested	(61,767)	$68.28	—	—
Performance shares vested	21,101	$69.22	(37,804)	$75.60
Shares expired or cancelled	(22,210)	$64.16	(18,545)	$83.30
Outstanding — December 31, 2020	82,204	$53.45	54,048	$62.73
Shares granted (a)	55,352	$53.21	86,584	$54.34
Shares vested	(63,490)	$54.14	(1,543)	$80.15
Shares expired or cancelled	(1,441)	$59.31	(12,968)	$47.52
Outstanding — December 31, 2021 (b)	72,625	$52.55	126,121	$58.32

(a) For the years ended December 31, 2021, 2020 and 2019, includes 74 RSUs, 72 RSUs and 43 RSUs, respectively, that were granted in lieu of cash dividends. Such dividends-in-kind vest concurrently with the underlying RSUs.
(b) The aggregate pre-tax intrinsic value of outstanding RSUs as of December 31, 2021 was $3.4 million.

The aggregate pre-tax intrinsic value of PSUs and RSUs that vested for the years ended December 31, 2021, 2020 and 2019 was $3.2 million, $3.4 million and $4.2 million, respectively.

Excess Tax Benefits

Excess tax benefits represent the difference between the tax deduction the Company will receive on its tax return for compensation recognized by employees upon the vesting or exercise of stock-based awards and the tax benefit recognized for the grant date fair value of such awards. For the years ended December 31, 2021, 2020 and 2019, the Company recognized excess tax benefits (deficit) related to the exercise or vesting of stock-based awards of $(0.2) million, $(0.4) million and $0.1 million, respectively.

Note 10. Stockholders' Equity

Common Stock

The Company has authorized 100 million shares of Common Stock. Holders of the Company's Common Stock are entitled to one vote per share.

In November 2020, the Company's Board of Directors authorized a program, effective January 1, 2021, that would allow the Company to repurchase up to $25 million of its outstanding Common Stock (the "2021 Stock Purchase Plan"). Purchases by the Company under the 2021 Stock Purchase Plan would be made from time to time in the open market or in privately negotiated transactions in accordance with the requirements of applicable law. The timing and amount of any purchases will depend on share price, market conditions and other factors. The 2021 Stock Purchase Plan does not expire or require the Company to purchase any specific number of shares and may be suspended or discontinued at any time. The Stock Purchase Plan is expected to be funded using cash on hand or borrowings under the Company's bank credit facility. The Company also had $25 million repurchase programs in place during the preceding two years that expired in December 2020 (the “2020 Stock Purchase Plan”) and December 2019 (the “2019 Stock Purchase Plan”), respectively.

The following table shows shares purchased under the respective stock purchase plans:

	Year Ended December 31,					
	2021		2020		2019	
	Shares	$	Shares	$	Shares	$
2021 Stock Purchase Plan	103,785	$ 5.0				
2020 Stock Purchase Plan			59,577	$ 3.6		
2019 Stock Purchase Plan					79,676	$ 4.9

As of December 31, 2021, under the terms of the Fourth Amended and Restated Credit Agreement and the Term Loan B, the Company has limitations on its ability to repurchase shares of its Common Stock, as further discussed in Note 7, "Debt."

For the years ended December 31, 2021, 2020 and 2019, the Company acquired 19,273 shares, 22,064 shares and 17,774 shares of Common Stock, respectively, at a cost of $1.0 million, $1.2 million and $1.3 million, respectively, for shares surrendered by employees to pay taxes due on vested restricted stock awards and SARs exercised.

Preferred Stock

The Company has authorized 20 million shares of $0.01 par value preferred stock. The preferred stock may be issued in one or more series and with such designations and preferences for each series as shall be stated in the resolutions providing for the designation and issue of each such series adopted by the Board of Directors of the Company. The Board of Directors is authorized by the Company's articles of incorporation to determine the voting, dividend, redemption and liquidation preferences pertaining to each such series. No shares of preferred stock have been issued by the Company.

Other Comprehensive Income (Loss)

Comprehensive income (loss) includes, in addition to net income (loss), gains and losses recorded directly into stockholders' equity on the consolidated balance sheets. These gains and losses are referred to as other comprehensive income (loss) ("OCI") items. AOCI consists of foreign currency translation gains and (losses), adjustments related to pensions and other post-employment benefits. The Company does not provide income taxes for foreign currency translation adjustments related to indefinite investments in foreign subsidiaries.

The components of accumulated other comprehensive income (loss), net of applicable income taxes are as follows:

	December 31,	
	2021	2020
Net loss from pension and other post-employment benefit liabilities, net of income tax benefits of $24.2 million and $34.2 million, respectively	$ (71.7)	$ (102.0)
Unrealized foreign currency translation losses, net of income tax benefit of $0.1 million and $(0.4), respectively	(25.2)	(1.7)
AOCI	$ (96.9)	$ (103.7)

The following table presents changes in accumulated other comprehensive income (loss):

	Year Ended December 31,								
	2021			2020			2019		
	Pretax Amount	Tax Effect	Net Amount	Pretax Amount	Tax Effect	Net Amount	Pretax Amount	Tax Effect	Net Amount
Unrealized foreign currency translation gains (losses)	$ (24.0)	$ 0.5	$ (23.5)	$ 18.0	$ (0.7)	$ 17.3	$ (3.5)	$ —	$ (3.5)
Adjustment to pension and other benefit liabilities	40.3	(10.0)	30.3	(10.3)	2.6	(7.7)	(6.4)	1.7	(4.7)
Other comprehensive income (loss)	$ 16.3	$ (9.5)	$ 6.8	$ 7.7	$ 1.9	$ 9.6	$ (9.9)	$ 1.7	$ (8.2)

For the years ended December 31, 2021, 2020 and 2019, the Company reclassified $6.0 million, $6.6 million and $6.0 million, respectively, of costs from AOCI to Other expense (income), net on the consolidated statements of operations. For the years ended December 31, 2021, 2020 and 2019, the Company recognized an income tax benefit of $1.4 million, $1.7 million and $1.5 million, respectively, related to such reclassifications classified as Provision (benefit) for income taxes on the consolidated statements of operations.

For the year ended December 31, 2021, 2020 and 2019, the Company reclassified costs of $15.7 million, $0.3 million, and $1.3 million, respectively, from AOCI to the Pension and SERP settlement and curtailment losses (gains) on the consolidated statements of operations. For the years ended December 31, 2021, 2020 and 2019, the Company recognized an income tax benefit of $3.9 million, $0.1 million, and $0.3 million, respectively, related to such reclassifications classified as Provision (benefit) for income taxes on the consolidated statements of operations.

Note 11. Leases

Effective January 1, 2019, the Company adopted ASU 2016-02, *Leases (Topic 842)* using the modified retrospective transition option. The Company also elected the package of transition provisions available for expired or existing contracts, which allowed us to carry forward the historical assessments of (1) whether contracts are or contain leases, (2) lease classification and (3) initial direct costs. The most significant impact was the recognition of right-of-use ("ROU") assets of $16 million and lease liabilities of $17 million as of January 1, 2019. The adoption of this standard did not have a significant effect related to existing leases, and as a result, no cumulative-effect adjustment was needed. The Company also completed the implementation of new processes to assist in the ongoing lease data collection and analysis, and updated its accounting policies and internal controls in connection with the adoption of the new standard.

The Company has operating leases for corporate offices, warehouses and certain equipment, with remaining lease terms of up to nine years, some of which include options to extend the leases for up to five years. The Company determines if an arrangement is a lease at inception. Operating leases with terms greater than twelve months are included in "Lease Right-

of-Use Assets," "Lease liabilities payable within one year" and "Noncurrent Lease Liabilities" on the consolidated balance sheets.

As a result of the Itasa Acquisition, the Company has finance leases for facilities located in Mexico and Spain, with lease terms ranging from 16 to 20 years. As of December 31, 2021, the Company has finance leases in the amount of $21.2 million.

Operating lease ROU assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

The Company's lease agreements contain lease and non-lease components, which are accounted for as a single lease component. Additionally, for certain equipment leases, the Company applies a portfolio approach to effectively account for the operating lease ROU assets and liabilities.

The components of lease expense were as follows:

	Year Ended December 31,		
	2021	2020	2019
Operating lease cost	$ 4.4	$ 4.0	$ 3.1
Finance lease cost:			
Amortization of ROU assets	$ 1.0	$ —	$ —
Interest on lease liabilities	0.7	—	—
Total finance lease cost	$ 1.7	$ —	$ —
Short-term lease cost	$ 1.6	$ 1.3	$ 1.5
Variable lease cost (a)	$ 1.4	$ 1.2	$ 2.1

(a) The variable lease costs consist mainly of a warehouse lease where the cost is determined based on the square footage used each month.

Supplemental cash flow information related to leases was as follows:

	Year Ended December 31,		
	2021	2020	2019
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 4.3	$ 4.0	$ 3.1
Operating cash flows from finance leases	$ 0.7	$ —	$ —
Financing cash flows from finance leases	$ 0.7	$ —	$ —
ROU assets obtained in exchange for lease obligations:			
Operating leases	$ 9.3	$ 9.3	$ 0.4
Finance leases	$ 1.0	$ —	$ —

As of December 31, 2021, the weighted average remaining lease term and weighted average discount rate for operating leases were 6.8 years and 4.5%, respectively. As of December 31, 2021, the weighted average remaining lease term and weighted average discount rate for finance leases were 18.67 years and 4.3% percent, respectively.

Maturities of lease liabilities were as follows:

Year Ending December 31,	Operating Leases	Finance Leases
2022	$ 4.1	$ 1.7
2023	3.6	1.7
2024	3.1	1.7
2025	2.6	1.6
2026	2.2	1.6
Thereafter	7.1	22.2
Total lease payments	22.7	30.5
Less: Imputed interest	3.5	9.3
Total lease liabilities	$ 19.2	$ 21.2

Note 12. Commitments, Contingencies, and Legal Matters

Litigation

The Company is involved in certain legal actions and claims arising in the ordinary course of business. While the outcome of these legal actions and claims cannot be predicted with certainty, it is the opinion of management that the outcome of any such claim which is pending or threatened, either individually or on a combined basis, will not have a material effect on the consolidated financial condition, results of operations or liquidity of the Company.

Income Taxes

The Company periodically undergoes examination by the Internal Revenue Service (the "IRS") as well as various state and foreign jurisdictions. These tax authorities routinely challenge certain deductions and credits reported by the Company on its income tax returns. No significant tax audit findings are being contested at this time with either the IRS or any state or foreign tax authority.

Environmental, Health and Safety Matters

The Company is subject to federal, state and local laws, regulations and ordinances relating to various environmental, health and safety matters. The Company is in compliance with, or is taking actions designed to ensure compliance with, these laws, regulations and ordinances. However, the nature of the Company's business exposes it to the risk of claims with respect to environmental, health and safety matters, and there can be no assurance that material costs or liabilities will not be incurred in connection with such claims. Except for certain orders issued by environmental, health and safety regulatory agencies, with which management believes the Company is in compliance and which management believes are immaterial to the results of operations of the Company's business, Neenah is not currently named as a party in any judicial or administrative proceeding relating to environmental, health and safety matters.

While the Company has incurred in the past several years, and will continue to incur, capital and operating expenditures in order to comply with environmental, health and safety laws, regulations and ordinances, management believes that the Company's future cost of compliance with environmental, health and safety laws, regulations and ordinances, and its exposure to liability for environmental, health and safety claims will not have a material effect on its financial condition, results of operations or liquidity. However, future events, such as changes in existing laws and regulations or contamination of sites owned, operated or used for waste disposal by the Company (including currently unknown contamination and contamination caused by prior owners and operators of such sites or other waste generators) may give rise to additional costs which could have a material effect on the Company's financial condition, results of operations or liquidity.

The Company incurs capital expenditures necessary to meet legal requirements and otherwise relating to the protection of the environment at its facilities in the United States and internationally. The Company's anticipated capital expenditures for environmental projects are not expected to have a material effect on the Company's financial condition, results of operations or liquidity.

Employees and Labor Relations

As of December 31, 2021, the Company had approximately 2,493 regular full-time employees of whom 952 hourly and 523 salaried employees were located in the North America and 648 hourly and 370 salaried employees were located in Europe. Of the Company's U.S. hourly union employees 690 are represented by the USW. Certain employees of Neenah Germany are eligible to be represented by the Mining, Chemicals and Energy Trade Union, Industriegewerkschaft Bergbau, Chemie and Energie (the "IG BCE"). Under German law union membership is voluntary and does not need to be disclosed to the Company. As a result, the number of employees covered by the collective bargaining agreement with the IG BCE cannot be determined. In Spain and Mexico, most of the employees are eligible to be represented by the local workers' unions: Confederacion Sindical de Comisiones Obreras ("CCOO") and Langile Abertzaalen Batzordeak ("LAB") in Spain; and Confederacion de Trabajadores del Estado de Queretaro ("CTM") in Mexico. Under local laws, union membership is voluntary and does not need to be disclosed to the Company. In Netherlands, most of the employees are eligible to be represented by the Christelijke Nationale Vakbond ("CNV") and the Federatie Nederlandse Vakvereniging ("FNV"). Under Netherlands law, union membership is voluntary and does not need to be disclosed to the Company. The collective bargaining arrangement with CNV and FNV will expire in April 2023. Hourly union employees at the Company's Bolton, England manufacturing facility are represented by Unite the Union ("UNITE"). As of December 31, 2021, 873 employees are covered under collective bargaining agreements that will expire in the next twelve months, not including the employees covered by the collective bargaining arrangements with the CNV and FNV.

The following table shows the status of the Company's bargaining agreements as of December 31, 2021:

Contract Expiration Date	Location	Union	Number of Employees
November 2021 (b)	Lowville, NY	USW	84
December 2021 (b)	Andoain, Spain	CCOO, LAB	(a)
January 2022 (b)	Whiting, WI	USW	192
June 2022	Neenah, WI	USW	213
July 2022	Munising, MI	USW	201
September 2022	Weidach and Bruckmühl, Germany	IG BCE	(a)
(c)	Queretaro, Mexico	CTM	(a)
April 2023	Eerbeek, Netherlands	CNV, FNV	(a)

(a) Under local laws, union membership is voluntary and does not need to be disclosed to the Company. As a result, the number of employees covered by the collective bargaining agreement with the CCOO, LAB, IG BCE, CTM, and the CNV and FNV cannot be determined.

(b) The Company is currently in negotiations with the respective unions. Until new contracts are signed, the terms of the previous contracts still apply.

(c) Indefinite term contract with periodic revisions approximately every two years.

Purchase Commitments

The Company has certain minimum purchase commitments that extend beyond December 31, 2021. Commitments under these contracts are approximately $5.7 million, $3.8 million, $3.0 million, and $1.4 million for the years ended December 31, 2022, 2023, and 2024 respectively. Such purchase commitments for the year ended December 31, 2022 are primarily for utilities and information technology contracts. Although the Company is primarily liable for payments on the above-mentioned purchase commitments, management believes exposure to losses, if any, under these arrangements is not material.

Note 13. Assets Held For Sale and Impairment and Asset Restructuring Costs

Appleton Facility

In June 2020, the COVID-19 pandemic triggered the evaluation of the carrying values of long-lived assets in the Technical Products segment, with the largest impact resulting from changes in the duration of the ramp-up of net sales of the Appleton facility. As a result, the Company recorded a non-cash impairment loss of $51.0 million related to the long-lived assets of the Appleton facility. Due to the change in the forecast of net sales and profitability, the Company determined that indicators of impairment in the carrying value of the property, plant and equipment were present. Accordingly, based on the applicable accounting guidance, the Company tested the recoverability of those long-lived assets using undiscounted estimates of the future cash flows from the use of those assets. The recoverability tests indicated that the long-lived assets were impaired at June 30, 2020. As a result, the Company determined the fair value of the long-lived assets principally on a probability-weighting of the discounted cash flows expected under multiple operating scenarios, based in part on the Company's current and future evaluation of economic conditions, as well as current and future plans. The Company used a credit-adjusted risk-free rate of 9.5 percent based on the expected rate of return from the highest and best use of similar assets by a market participant. An impairment charge of $51.0 million was recorded in the Technical Products segment to reduce the carrying value of the assets to their indicated fair values. These fair value calculations were highly subjective

and required management to make assumptions and apply judgments to estimates regarding the timing and amount of future cash flows, probabilities related to various cash flow scenarios, and appropriate discount rates based on the perceived risks, among others. Long-lived assets are measured at fair value on a nonrecurring basis using Level 3 inputs.

On June 28, 2021, the Company's Board of Directors approved the permanent closure of the Appleton facility. The closure of the facility was substantially complete by the end of the third quarter. In connection with the closure, the Company reduced the carrying value of the facility's assets to an estimated salvage value of $10.5 million, which resulted in an additional non-cash impairment loss of $32.4 million. In addition, the Company recorded $4.9 million of other restructuring charges, including reserves for obsolete inventory, severance costs and environmental exposures. A curtailment loss of $0.5 million was also recognized on the pension obligations of the terminated workers and a settlement loss of $0.3 million was recorded for those workers who opted to take lump-sum distributions (see Note 8, "Pension and Other Post-employment Benefits"). Further, the Company incurred a charge of $2.9 million relating to the loss of certain deferred income tax benefits under a terminated intercompany royalty agreement (see Note 6, "Income Taxes").

During the third quarter of 2021, the Company initiated a process to market for sale the Appleton facility ("disposal group"). The contemplated disposal transaction does not constitute a strategic shift in the business that will have a major effect on operations of the Company. The disposal group was measured at the lower of carrying value and fair value (a Level 2 measurement, based on observable market inputs), less costs to sell. As of December 31, 2021, the disposal group of assets of $10.5 million (consisting of property, plant and equipment) was separately reported as Assets held for sale in the consolidated balance sheets. In addition, an estimated environmental liability of $0.5 million was reported separately as Liabilities of assets held for sale in the consolidated balance sheets as of December 31, 2021.

Other Impairments and Asset Restructuring Costs

The adverse impacts of COVID-19 led to additional actions in 2020 to consolidate the Company's operational footprint with the idling of a fine paper machine and other smaller assets, and reallocating their volume, optimizing and eliminating certain product brands and SKUs and restructuring parts of its workforce. As a result, the Company recorded accelerated depreciation of $2.6 million related to the idling of the manufacturing assets and $0.4 million of employee termination benefit costs.

In 2020, the Company also tested its indefinite-lived intangible assets (brand names) for impairment using the applicable accounting guidance and as a result recorded an impairment loss of $0.9 million and $0.4 million in the Fine Paper and Packaging and Technical Products segments, respectively. In addition, the Company fully impaired its $2.5 million joint venture investment of the Technical Products segment in India with AIM Filtertech.

In 2019, the Company recorded $4.7 million of accelerated depreciation and spare parts inventory reserves related to an idled paper machine in the Fine Paper and Packaging segment.

A summary of the Assets Held For Sale and Impairment and Asset Restructuring Costs incurred during the years ended December 31, 2021, 2020, and 2019 is as follows:

	For the Year Ended December 31,		
	2021	2020	2019
Assets held for sale	$ 10.5	$ —	$ —
Impairment losses	$ 32.4	$ 54.8	$ —
Restructuring charges from idled assets	4.3	2.6	4.7
Severance costs	0.6	0.4	—
Total	$ 37.3	$ 57.8	$ 4.7

In 2021, restructuring charges of $2.1 million are reflected in Cost of products sold in the consolidated statement of operations.

Note 14. Business Segment and Geographic Information

The Company's two reportable operating segments consist of Technical Products and Fine Paper and Packaging. In January 2021, the Company realigned management of the publishing products component of the Technical Products segment to be part of the Fine Paper and Packaging segment. As a result, the Company recast the comparable 2020 and 2019 information and presented the $26.3 million and $39.9 million of net sales and ($0.9) million and $1.3 million of operating income (loss) for the years ended December 31, 2020 and 2019, respectively, formerly in the Technical Products segment as part of the Fine Paper and Packaging segment. The Company also recast the total assets by segment and presented the $21.0 million of total assets as of December 31, 2020 related to publishing products within the Fine Paper and Packaging segment.

The technical products business is an aggregation of the Company’s fiber-formed, coated and/or saturated specialized media that deliver high performance benefits to its international customers, which are similar in terms of economic characteristics, nature of products, processes, customer class and product distribution methods. In the prior year, this segment had two categories: tape and abrasive backings products, digital transfer papers, durable labels and other specialty substrate products (performance materials), and filtration media for transportation, water and other end use applications (filtration). During the three months ended March 31, 2021, the Company further disaggregated the former performance materials business into industrial solutions (tape and abrasive backings products, performance labels and other specialty substrates used for industrial solutions) and specialty coatings (media used for release liners, digital image transfer and other applications), and recast the prior years' disclosure. The increase in the specialty coatings component beginning in the second quarter of 2021 was due to the Itasa Acquisition (see Note 4, "Business Acquisition"). The following table presents sales by product category for the technical products business:

	Year Ended December 31,		
	2021	2020	2019
Filtration	40 %	48 %	46 %
Industrial Solutions	33 %	39 %	40 %
Specialty Coatings	27 %	13 %	14 %
Total	100 %	100 %	100 %

The fine paper and packaging business is a leading supplier of premium printing and other high-end specialty papers (graphic imaging), premium packaging, and specialty office papers, primarily in North America. During the three months ended March 31, 2021, the Company further disaggregated the former graphic imaging business into commercial and consumer components and recast the prior years' disclosure to combine the consumer and packaging businesses based on the similarity of final customers and end markets they serve. The following table presents sales by product category for the fine paper and packaging business:

	Year Ended December 31,		
	2021	2020	2019
Commercial	52 %	54 %	61 %
Consumer and packaging	48 %	46 %	39 %
Total	100 %	100 %	100 %

Each segment employs different technologies and marketing strategies. Disclosure of segment information is on the same basis that management uses internally for evaluating segment performance and allocating resources. Transactions between

segments are eliminated in consolidation. The costs of shared services, and other administrative functions managed on a common basis, are allocated to the segments based on usage, where possible, or other factors based on the nature of the activity. General corporate expenses that do not directly support the operations of the business segments are shown as Unallocated corporate costs. The accounting policies of the reportable operating segments are the same as those described in Note 2, "Summary of Significant Accounting Policies."

Business Segments

	Year Ended December 31,		
	2021	2020	2019
Net sales			
Technical Products	$ 664.2	$ 482.6	$ 501.7
Fine Paper and Packaging	364.3	310.0	436.8
Consolidated	$ 1,028.5	$ 792.6	$ 938.5

	Year Ended December 31,		
	2021	2020	2019
Operating income (loss)			
Technical Products (a)	$ 5.6	$ (3.9)	$ 43.3
Fine Paper and Packaging (b)	40.9	22.4	54.5
Unallocated corporate costs (c)	(58.3)	(24.6)	(19.5)
Consolidated	$ (11.8)	$ (6.1)	$ 78.3

(a) Operating income for the year ended December 31, 2021 included impairment costs of $37.3 million, acquisition-related costs of $5.8 million, other restructuring and non-routine costs of $1.0 million, pension settlement and curtailment losses of $0.9 million and COVID-19 costs of $0.5 million. Operating income for the year ended December 31, 2020 included impairment costs of $54.1 million, other restructuring and other non-routine costs of $0.6 million, COVID-19 costs of $1.3 million, and pension settlements of $0.8 million. Operating income for the year ended December 31, 2019 included restructuring and other non-routine costs of $0.3 million and a curtailment gain of $1.5 million related to the Neenah Coldenhove pension plan.

(b) Operating income for the year ended December 31, 2021 included COVID-19 costs of $0.8 million. Operating income for the year ended December 31, 2020 included asset restructuring costs of $3.7 million, other restructuring and non-routine costs of $2.3 million, COVID-19 costs of $1.6 million, and pension settlement of $0.4 million. Operating income for the year ended December 31, 2019 included $5.7 million of non-routine costs, primarily related to idled paper machine costs due to the consolidation of the fine paper manufacturing footprint.

(c) Unallocated corporate costs for the year ended December 31, 2021 included $37.5 million of one-time costs related to restructuring, loss on debt extinguishment, acquisition-related costs, pension and SERP settlements, and other non-routine charges. Unallocated corporate costs for the year ended December 31, 2020 included costs of $5.6 million, consisting of restructuring and other non-routine costs and a SERP settlement charge. Unallocated corporate costs for the year ended December 31, 2019 included costs of $0.3 million, consisting of restructuring and other non-routine costs and a SERP settlement charge.

	Year Ended December 31,		
	2021	2020	2019
Depreciation and amortization			
Technical Products	$ 29.1	$ 21.7	$ 22.0
Fine Paper and Packaging	10.6	12.8	15.3
Corporate	3.0	2.2	1.6
Consolidated	$ 42.7	$ 36.7	$ 38.9

	Year Ended December 31,		
	2021	2020	2019
Capital expenditures			
Technical Products	$ 17.7	$ 13.4	$ 13.1
Fine Paper and Packaging	7.5	4.6	7.7
Corporate	3.0	0.9	0.6
Consolidated	$ 28.2	$ 18.9	$ 21.4

	December 31,	
	2021	2020
Total Assets (a)		
Technical Products	$ 800.7	$ 531.0
Fine Paper and Packaging	228.4	213.4
Corporate and other (b)	52.6	62.2
Total	$ 1,081.7	$ 806.6

(a) Segment identifiable assets are those that are directly used in the segments operations.
(b) Corporate assets are primarily deferred income taxes, lease ROU assets, and cash.

Geographic Information

	Year Ended December 31,		
	2021	2020	2019
Net sales			
North America	$ 626.0	$ 533.1	$ 673.0
Germany	246.9	203.9	196.3
Spain	84.1	—	—
Rest of Europe	71.5	55.6	69.2
Consolidated	$ 1,028.5	$ 792.6	$ 938.5

Net sales are attributed to geographic areas based on the physical location of the selling entities.

	December 31,	
	2021	2020
Long-Lived Assets		
North America	$ 328.7	$ 314.4
Spain	202.8	—
Germany	147.4	160.8
Rest of Europe	55.8	60.1
Total	$ 734.7	$ 535.3

Long-lived assets consist of property, plant and equipment, lease ROU assets, deferred income taxes, goodwill, intangibles, over-funded employee benefit plan and other assets.

Concentrations

For the years ended December 31, 2021, 2020, and 2019 sales to the technical products business' largest customer represented approximately 9 percent, 9 percent, and 8 percent of consolidated net sales, respectively, and approximately 14 percent, 16 percent, and 15 percent of net sales for the technical products segment, respectively. For the years ended December 31, 2021, 2020, and 2019 sales to the largest customer of fine paper and packaging business represented approximately 6 percent, 6 percent, and 8 percent of consolidated net sales, respectively, and approximately 17 percent for the year ended December 31, 2021 and approximately 18 percent of net sales of the fine paper and packaging business for each of the years ended December 31, 2020 and 2019. Except for certain specialty latex grades and specialty softwood pulp used by Technical Products, management is not aware of any significant concentration of business transacted with a particular supplier that could, if suddenly eliminated, have a material effect on its operations.

Note 15. Supplemental Data

Supplemental Statement of Operations Data

Summary of Advertising and Research and Development Expenses

	Year Ended December 31,		
	2021	2020	2019
Advertising expense (a)	$ 2.1	$ 3.0	$ 4.9
Research and development expense (a)	8.3	7.6	8.7

(a) Advertising expense and research and development expense are recorded in Selling, general and administrative expenses on the consolidated statements of operations.

Supplemental Balance Sheet Data

Summary of Accounts Receivable, net

	December 31,	
	2021	2020
From customers	$ 143.9	$ 101.7
Less allowance for doubtful accounts and sales discounts	(1.6)	(1.5)
Total	$ 142.3	$ 100.2

Summary of Inventories

	December 31,	
	2021	2020
Inventories by Major Class:		
Raw materials	$ 54.7	$ 28.9
Work in progress	32.6	20.1
Finished goods	64.0	61.0
Supplies and other	3.8	5.3
	155.1	115.3
Excess of FIFO over LIFO cost	(16.6)	(6.4)
Total	$ 138.5	$ 108.9

The first-in, first-out ("FIFO") value of inventories valued on the LIFO method was $95.4 million and $88.5 million at December 31, 2021 and 2020, respectively. For the years ended December 31, 2021 and 2020, income before income taxes was reduced by less than $0.1 million, due to a decrease in certain LIFO inventory quantities.

Summary of Prepaid and Other Current Assets

	December 31,	
	2021	2020
Prepaid and other current assets	$ 14.9	$ 10.6
Spare parts	7.4	6.4
Receivable for income taxes	9.5	8.1
Total	$ 31.8	$ 25.1

Summary of Property, Plant and Equipment, net

	December 31,	
	2021	2020
Land and land improvements	$ 18.9	$ 20.5
Buildings	151.2	160.0
Machinery and equipment	610.4	614.9
Construction in progress	16.3	17.4
	796.8	812.8
Less accumulated depreciation	501.3	483.4
Net Property, Plant and Equipment	$ 295.5	$ 329.4

Depreciation expense for the years ended December 31, 2021, 2020 and 2019 was $30.8 million, $31.5 million and $33.9 million, respectively. Interest expense capitalized as part of the costs of capital projects was $0.2 million, $0.3 million and $0.2 million, respectively, for the years ended December 31, 2021, 2020 and 2019.

Summary of Accrued Expenses

	December 31,	
	2021	2020
Accrued salaries and employee benefits	$ 25.8	$ 34.0
Amounts due to customers	12.1	8.4
Accrued income taxes	9.1	5.5
Accrued utilities	4.7	3.4
Other	14.9	10.6
Total	$ 66.6	$ 61.9

Summary of Noncurrent Employee Benefits

	December 31,	
	2021	2020
Pension benefits	$ 47.4	$ 62.0
Post-employment benefits other than pensions (a)	30.3	34.8
Total	$ 77.7	$ 96.8

(a) Post-employment benefits other than pensions included $0.9 million of SRCP benefits and $0.2 million of other long-term benefits as of December 31, 2021. As of December 31, 2020, $0.8 million of SRCP benefits and $0.2 million of other long-term benefits were included.

Supplemental Cash Flow Data

Supplemental Disclosure of Cash Flow Information

	Year Ended December 31,		
	2021	2020	2019
Cash paid during the year for interest, net of interest expense capitalized	$ 15.1	$ 12.3	$ 10.9
Cash paid during the year for income taxes, net of refunds	12.2	3.6	13.3
Non-cash investing activities:			
Liability for equipment acquired	5.8	3.3	3.2

Net Cash Provided by (Used in) Changes in Operating Working Capital, Net of Effect of Acquisitions

	Year Ended December 31,		
	2021	2020	2019
Accounts receivable	$ (26.2)	$ 4.5	$ 11.6
Inventories	(8.1)	15.7	8.2
Income taxes receivable/payable	(1.0)	(1.4)	(5.4)
Prepaid and other current assets	(3.9)	(0.2)	2.4
Accounts payable	28.7	(3.6)	(14.0)
Accrued expenses	5.2	3.2	(3.4)
Total	$ (5.3)	$ 18.2	$ (0.6)

Note 16. Subsequent Event

On January 21, 2022, a fire occurred at the Company's manufacturing facility in Brownville, New York and the facility is currently out of operation. The Company is assessing the financial impact of the fire (net of insurance coverage), the extent of which could vary based on several factors, including, but not limited to, repair costs, material and labor availability, and the time required to complete repairs and restore operations.

SCHEDULE II

NEENAH, INC. AND SUBSIDIARIES
SCHEDULE OF VALUATION AND QUALIFYING ACCOUNTS
(Dollars in millions)

Description	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts	Write-offs and Reclassifications	Balance at End of Period
December 31, 2021					
Allowances deducted from assets to which they apply					
Allowance for doubtful accounts receivable	$ 1.1	$ (0.2)	$ 0.3	$ —	$ 1.2
Allowance for sales discounts	0.4	—	—	—	0.4
Valuation allowance for deferred income tax assets	10.4	2.4	—	(0.3)	12.5
December 31, 2020					
Allowances deducted from assets to which they apply					
Allowance for doubtful accounts receivable	$ 1.0	$ 0.5	$ —	$ (0.4)	$ 1.1
Allowance for sales discounts	0.4	—	—	—	0.4
Valuation allowance for deferred income tax assets	5.8	4.6	—	—	10.4
December 31, 2019					
Allowances deducted from assets to which they apply					
Allowance for doubtful accounts receivable	$ 0.8	$ 0.5	$ —	$ (0.3)	$ 1.0
Allowance for sales discounts	0.5	—	(0.1)	—	0.4
Valuation allowance for deferred income tax assets	2.7	—	3.1	—	5.8

STOCKHOLDER INFORMATION

CORPORATE HEADQUARTERS

Neenah, Inc.
3460 Preston Ridge Road
Suite 600
Alpharetta, GA 30005
678.566.6500
www.neenah.com

ANNUAL MEETING OF STOCKHOLDERS

The 2022 annual meeting of the stockholders of Neenah, Inc. will be held Thursday, May 19, 2022 at 3:00 p.m., Eastern Daylight Time.

The 2022 Annual Meeting will be held virtually via live webcast. Additional information regarding the 2022 Annual Meeting may be found in the company's Proxy Statement.

As of March 25, 2022, Neenah had approximately 960 holders of record of its common stock.

REGISTRAR AND TRANSFER AGENT

Computershare
P.O. Box 505000
Louisville, KY 40233
www.computershare.com/investor

Contact Center:

Toll-Free:	877-498-8847
TDD for Hearing Impaired:	800-231-5469
Foreign Stockholders:	201-680-6578
TDD for Foreign Stockholders:	201-680-6610

FINANCIAL AND OTHER COMPANY INFORMATION

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2021 is available on our website at www.neenah.com along with financial reports, recent filings with the Securities and Exchange Commission (SEC), news releases and other information.

For a printed copy of our Form 10-K and Annual Report materials, without charge, please contact:

Neenah, Inc.
Attn: Stockholder Services
3460 Preston Ridge Road
Suite 600
Alpharetta, GA 30005
678-518-3278
or via email to investors@neenah.com

CERTIFICATIONS

Certifications of Neenah's Chief Executive Officer and Chief Financial Officer regarding the quality of our public disclosure have been included as exhibits to the Annual Report on Form 10-K for the fiscal year ended December 31, 2021 filed with the SEC.

TRADEMARKS

Brand names mentioned in this report are trademarks of Neenah, Inc. and its affiliated entities.

STOCK EXCHANGE

NP LISTED NYSE

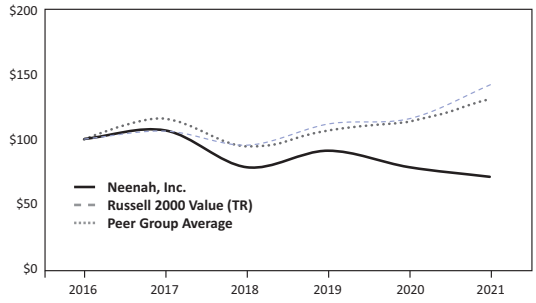
Neenah's common stock is traded on the New York Stock Exchange under the symbol NP.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Deloitte & Touche LLP
191 Peachtree Street NE
Suite 2000
Atlanta, GA 30303

COMPARISON OF FIVE YEAR CUMULATIVE TOTAL RETURN*

Among Neenah, Inc., the Russell 2000 Value Index and our Peer Group



Peer Group: Compass Minerals International, Inc., Ferro Corp., GCP Applied Technologies, Inc., Glatfelter Corp., H.B. Fuller Co., Ingevity Corp., Innospec, Inc., Kraton Corp., Minerals Technologies, Inc., Myers Industries, Inc., Quaker Houghton, Rayonier Advanced Materials, Inc., Rogers Corp., Schweitzer-Mauduit International, Inc., Tredegar Corp.

* $100 invested on December 31, 2016 in stock or index, including reinvestment of dividends.

STOCK PRICE PERFORMANCE

	Russell 2000 Value	Year-on-Year % Change	Neenah, Inc.	Year-on-Year % Change
2021	2,490.38	26%	$46.28	-16%
2020	1,972.38	2%	$55.32	-21%
2019	1,926.49	20%	$70.43	20%
2018	1,608.84	-15%	$58.92	-35%
2017	1,883.34	6%	$90.65	6%

Reflects stock or index price as of December 31 of the year indicated

LEADERSHIP

EXECUTIVE TEAM

Julie A. Schertell

President & Chief Executive Officer

Paul F. DeSantis

Executive Vice President, Chief Financial Officer & Treasurer

Kingsley E. Shannon

Executive Vice President, Segment President, Fine Paper & Packaging

Michael W. Rickheim

Executive Vice President, Chief Human Resources Officer & Chief Administrative Officer

Noah S. Benz

Executive Vice President, General Counsel & Secretary

Jason T. Free

Executive Vice President, Operations

BOARD OF DIRECTORS

William M. Cook

Former Chair & Chief Executive Officer, Donaldson Company, Inc.

Margaret S. Dano

Former Vice President, Honeywell International, Inc.

Philip C. Moore

Retired Senior Vice President, Deputy General Counsel & Corporate Secretary, TD Bank Group

Shruti Singhal

Chief Executive Officer, Chroma Color Corporation

Donna M. Costello

Former Chief Financial Officer, C&D Technologies, Inc.

Timothy S. Lucas*

Retired Independent Consultant, Lucas Financial Reporting & Former Director of Research, FASB

Julie A. Schertell

President & Chief Executive Officer, Neenah, Inc.

Tony R. Thene

President & Chief Executive Officer, Carpenter Technology Corporation

*retiring effective as of the 2022 Annual Meeting of Stockholders

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3460 Preston Ridge Road, Suite 600
Alpharetta, GA 30005
678.566.6500
www.neenah.com