

Helix Acquisition Holdings, Inc. and Subsidiaries

Consolidated Financial Statements as of and for the
Years Ended December 31, 2025 and 2024, and
Report of Independent Certified Public Accountants

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Helix Acquisition Holdings, Inc.

Opinion

We have audited the consolidated financial statements of Helix Acquisition Holdings, Inc. and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations, changes in stockholder's equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the consolidated financial statements are issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Grant Thornton LLP

Charlotte, North Carolina
February 27, 2026

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31
(In thousands)

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 12,621	\$ 5,088
Accounts receivable—net of reserve for credit losses of \$1,223 and \$1,327	62,784	69,510
Inventories	113,364	112,375
Income Tax Receivable	3,777	7,331
Prepaid expenses and other current assets	<u>3,224</u>	<u>4,205</u>
Total current assets	195,770	198,509
PROPERTY, PLANT, AND EQUIPMENT—Net	95,978	107,072
OPERATING LEASE RIGHT OF USE ASSET—Net	147,668	139,434
OTHER ASSETS	2,221	2,818
GOODWILL—Net	157,879	216,022
INTANGIBLES—Net	<u>56,766</u>	<u>57,366</u>
TOTAL	<u>\$ 656,282</u>	<u>\$ 721,221</u>
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 29,642	\$ 35,184
Accrued liabilities	25,447	19,292
Short term lease liabilities, net	10,455	9,203
Current portion of long-term debt	<u>558</u>	<u>572</u>
Total current liabilities	66,102	64,251
LONG-TERM DEBT—Net of current portion	696,277	679,262
LONG-TERM OPERATING LEASE LIABILITIES—Net	141,683	132,557
OTHER LIABILITIES	4,553	2,844
DEFERRED INCOME TAXES	<u>456</u>	<u>1,285</u>
Total liabilities	<u>909,071</u>	<u>880,199</u>
STOCKHOLDER'S EQUITY:		
Common stock and Additional paid-in capital \$0.01 par value 100 shares authorized, issued, and outstanding	276,801	276,066
Note receivable from parent	-	(3,100)
Accumulated deficit	<u>(529,590)</u>	<u>(431,944)</u>
Total stockholder's equity	<u>(252,789)</u>	<u>(158,978)</u>
TOTAL	<u>\$ 656,282</u>	<u>\$ 721,221</u>

See notes to consolidated financial statements.

HELIX ACQUISITION HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31
(In thousands)

	<u>2025</u>	<u>2024</u>
NET SALES	<u>\$ 507,395</u>	<u>\$ 499,407</u>
COST OF SALES:		
Other cost of sales	341,471	362,643
Depreciation	<u>13,278</u>	<u>10,940</u>
Total cost of sales	<u>354,749</u>	<u>373,583</u>
GROSS PROFIT	<u>152,646</u>	<u>125,824</u>
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES:		
Other selling, general, and administrative expenses, net	94,758	85,661
Depreciation and amortization	63,988	63,487
Other Expense	5,469	1,206
Management and other fees	2,744	2,631
Impairment of long lived assets	2,751	-
Stock compensation expense	<u>735</u>	<u>1,335</u>
Total selling, general, and administrative expenses	<u>170,445</u>	<u>154,320</u>
LOSS FROM OPERATIONS	(17,799)	(28,496)
LOSS (GAIN) RELATED TO DERIVATIVE FINANCIAL INSTRUMENTS	1	(536)
INTEREST EXPENSE, NET	<u>83,270</u>	<u>87,513</u>
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAX	(101,070)	(115,473)
INCOME TAX (BENEFIT) EXPENSE	<u>(3,424)</u>	<u>1,093</u>
NET LOSS - from continuing operations	<u>(97,646)</u>	<u>(116,566)</u>
Income Tax Benefit from discontinued operations	<u>-</u>	<u>(6,446)</u>
NET INCOME - from discontinued operations	<u>-</u>	<u>6,446</u>
Net Loss	<u>\$ (97,646)</u>	<u>\$ (110,120)</u>

See notes to consolidated financial statements.

HELIX ACQUISITION HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31

(In thousands)

	Common Stock and Additional Paid-In Capital	Accumulated Deficit	Note Receivable from Parent	Total Stockholder's Equity
BALANCE—December 31, 2023	274,731	(321,824)	(3,100)	(50,193)
Stock Compensation	1,335	-	-	1,335
Net loss	-	(110,120)	-	(110,120)
BALANCE—December 31, 2024	<u>\$ 276,066</u>	<u>\$ (431,944)</u>	<u>\$ (3,100)</u>	<u>\$ (158,978)</u>
Stock Compensation	735	-	-	735
Net loss	-	(97,646)	-	(97,646)
Proceeds from Parent	<u>-</u>	<u>-</u>	<u>3,100</u>	<u>3,100</u>
BALANCE—December 31, 2025	<u>\$ 276,801</u>	<u>\$ (529,590)</u>	<u>\$ -</u>	<u>\$ (252,789)</u>

See notes to consolidated financial statements.

HELIX ACQUISITION HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31
(In thousands)

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (97,646)	\$ (110,120)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	77,266	74,427
Amortization of deferred financing costs	3,778	3,778
Loss (Gain) related to derivative financial instruments	1	(536)
Stock compensation	735	1,335
Impairment of long-lived assets	2,751	-
Loss (Gain) on sale of property	5,550	(308)
Deferred income taxes	(829)	(2,956)
Other	5,536	5,827
Changes in operating assets and liabilities:		-
Accounts receivable	6,726	10,715
Inventories	(989)	7,455
Prepaid expenses and other assets	981	(7,767)
Accounts payable	(5,542)	1,829
Accrued liabilities	6,155	(20,699)
Net cash provided by (used in) operating activities	<u>4,473</u>	<u>(37,020)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net proceeds from sale of property	204	3,113
Purchases of property, plant, and equipment	<u>(16,054)</u>	<u>(30,526)</u>
Net cash used in investing activities	(15,850)	(27,413)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings on revolving credit facility	26,000	65,300
Payments on revolving credit facility	(11,500)	(10,300)
Note Receivable proceeds	3,100	-
Other	<u>1,310</u>	<u>(336)</u>
Net cash provided by financing activities	18,910	54,664
NET INCREASE (DECREASE) IN CASH	7,533	(9,769)
CASH:		
Beginning of period	<u>\$ 5,088</u>	<u>\$ 14,857</u>
End of period	12,621	5,088
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	80,429	82,734
Income taxes paid	1,625	28,329

See notes to consolidated financial statements.

HELI X ACQUISITION HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In thousands, except share data)

1. ORGANIZATION

On September 29, 2017, ASP MWI Holdings, Inc. ("ASP") acquired the issued and outstanding common stock of Helix Acquisition Holdings, Inc., and its wholly owned subsidiaries (the "Company"). ASP was incorporated on June 27, 2017 by American Securities, Inc. ("American Securities") for purposes of the acquisition. The Company is a precision component and product manufacturer with its portfolio of components utilized in a diverse portfolio of industries.

2. DISCONTINUED OPERATIONS

On December 6, 2023, the Company completed the separation of three of our subsidiaries (collectively the "life science entities") through the sale of these business units to AMETEK Inc. for \$253,420 in cash. The accounting requirements for reporting the disposal of this business unit as a discontinued operation were met when the separation was completed.

During 2024, the Company had a return-to-provision adjustment associated with the tax verse book basis of one of the three life science entities. Such adjustment resulted in a tax benefit of \$6,446 from discontinued operations for the year ended December 31, 2024.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the Company are described below and are in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Business—The Company manufactures, sells and distributes custom and stock springs and component hardware products to manufacturing and distribution companies in a variety of industries primarily in the United States.

Principles of Consolidation—The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany transactions and accounts are eliminated.

Use of Estimates—The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amount of revenues and expenses in the reporting period. Actual amounts could differ from those estimates.

Cash —The Company considers all highly liquid investments with an original maturity of three months or less to be cash. The Company does not have any cash equivalents as of December 31, 2025 and December 31, 2024.

Concentrations of Credit Risk —The Company manufactures, sells and distributes its products to a wide range of customers primarily in the manufacturing industry. The Company performs ongoing credit evaluations of its customers and generally does not require collateral. The Company maintains reserves for potential credit losses, and such losses have historically been within management's expectations. As of December 31, 2025 and 2024, the Company had no significant concentrations of credit risk.

The Company maintains its cash at various high-quality financial institutions. The consolidated account balances at each institution typically exceed FDIC insurance coverage and, as a result, there is a concentration of credit risk related to amounts on deposit in excess of FDIC insurance coverage. The Company believes this risk is not significant.

Inventories—Inventories are stated at the lower-of-cost or net realizable value, determined substantially using the first-in first-out actual costing method. Inventories include the cost of materials, direct (internal and external) labor and manufacturing overhead. Obsolete or excess inventories are reflected at their estimated net realizable values.

Property, Plant, and Equipment—Property, plant and equipment acquired in a business combination is recorded at acquisition date fair value. Property, plant, and equipment not acquired as part of a business combination is recorded at cost. Property, plant, and equipment is depreciated using the straight-line method over the estimated useful lives of the assets, which range from three to thirty years.

Expenditures for repairs, maintenance and minor renewals are charged to expense as incurred. Expenditures that improve an asset or extend its estimated useful life are capitalized. When assets are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss is included in the consolidated statement of operations.

Intangible and Other Assets—As of December 31, 2025 and 2024, \$53,766 of the Company's intangible assets, other than goodwill, had indefinite lives. Indefinite-lived intangible assets are not amortized. For the reporting period, the Company evaluated the intangible assets that are not being amortized to determine whether events and circumstances continue to support an indefinite useful life. Management concluded that an indefinite useful life continued to be appropriate for the Matthew Warren tradename.

As of December 31, 2025 and 2024, the Company's definite-lived intangible assets were \$3,000 and \$3,600, respectively.

Indefinite-lived intangible assets are not subject to amortization and are assessed at least annually for impairment in conjunction with the Company's impairment testing or more frequently if certain events or circumstances warrant. The Company performed impairment tests as of December 31, 2025 and 2024 and concluded there was no impairment.

The valuation methodology for intangible assets and underlying financial information that is used to determine fair value requires significant judgments to be made by management. These judgments include, but are not limited to, valuation methodology, long-term projections of future financial performance and the selection of appropriate royalty rates and discount rates used to determine the present value of future cash flows. Changes in such estimates or the application of alternative assumptions, such as selecting a different royalty rate or discount rate, could produce significantly different results that include the possibility of impairments.

Fair values of trademarks are determined using a relief from royalty method, a common income approach methodology for these types of assets, which estimates fair value based upon a projection of future revenues and an assumed royalty rate discounted to present value (level 3 fair value).

Impairment of Long-Lived Assets—The Company continually evaluates its finite-lived long-lived assets in light of events and circumstances that may indicate that the remaining estimated useful life may warrant revision or that the remaining value may not be recoverable. When factors indicate that these assets should be evaluated for possible impairment, the Company uses an estimate of the related undiscounted cash flows over the remaining life of the asset in measuring whether that asset or asset group is recoverable. To the extent an impairment has occurred, the excess of the carrying value of the assets over their estimated fair value is charged to the consolidated statements of operations. For the year ended December 31, 2025, the Company recorded an impairment for long-lived assets of \$2,751, see note 5. The Company concluded there were no indicators of impairment of long-lived assets for the year ended December 31, 2024.

Goodwill—Goodwill is recorded when the purchase price paid for an acquisition exceeds the estimated fair value of the net identified tangible and intangible assets acquired. In accordance with FASB Accounting Standards Update (“ASU”) No. 2014-02, *Intangibles—Goodwill and Other (Topic 350): Accounting for Goodwill (a consensus of the Private Company Council)* (“ASU 2014-02”), the Company, as a private entity, has elected to amortize goodwill on a straight-line basis over a useful life of ten years.

The Company is required to test goodwill for impairment only when a specific triggering event occurs instead of having to perform the test annually or more frequently if indicators of impairment exist. The Company assessment is done at the entity-wide level. There were no triggering events for the Company as of December 31, 2025 or 2024.

Fair Value of Financial Instruments—The carrying amount of cash and cash equivalents, accounts receivable, and certain other current assets and current liabilities approximates fair value due to their short-term nature. The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price). Observable inputs or unobservable inputs, defined by FASB Accounting Standards Codification (“ASC”) Topic 820, *Fair Value Measurement*, may be used in the calculation of fair value.

Equity-Based Compensation—Equity-based employee compensation is accounted for at fair value under FASB ASC Topic 718, *Compensation—Stock Compensation*. The estimation of the fair value of employee equity options requires that management make complex estimates and judgments. The Company utilizes the Black-Scholes option pricing model to estimate the fair value of the time-vested employee equity options. The Company utilizes a Monte Carlo simulation model to estimate the fair value of performance vested employee equity options. Both the Black-Scholes option pricing model and the Monte Carlo simulation model require the use of various assumptions, including expected life of options, risk free interest rate, expected volatility and dividend yield. Compensation expense related to the time-vested employee equity options is recognized ratably in selling, general, and administrative expense in the consolidated statements of operations over the period during which an employee is required to provide service in exchange for the award. Compensation expense for the performance vested equity options will be recognized “when performance is probable, which will occur at the time the Company experiences a liquidity event.

Derivatives—The Company uses derivative financial instruments to offset exposure to market risks arising from changes in interest rates.

The Company’s one derivative financial instrument as of December 31, 2025 and 2024 is an interest rate collar consummated in May 2023 for \$415,000, to hedge the interest rate on the Company’s term loan. The interest rate cap was set at 5.50%. The interest rate floor was set at 1.42%. The effective date of this collar was May 10, 2023 with a termination date of May 11, 2026. Any cash inflows or outflows occur quarterly. The fair market value of this instrument is recorded on the consolidated balance sheet as other assets or liabilities depending on the fair value. As of December 31, 2024 the fair value of this interest rate collar was \$1 within other assets (level 3 fair value). The change in value in 2024 was \$536. As of December 31, 2025 the fair value of the interest rate collar was \$0. Changes in value were reported in the consolidated statement of operations within gain or loss related to derivative financial instruments.

The Company has not elected hedge accounting treatment for these instruments and, as a result, the change in fair values is recorded directly to gain or loss on derivative financial instruments in the consolidated statements of operations. The fair market values of the instruments are recorded on the consolidated balance sheets as other assets or other liabilities depending on the fair value.

Income Tax Provision—The provision for income taxes includes federal, state and local income taxes currently payable and deferred taxes arising from temporary differences between the financial statement and tax basis of assets and liabilities. Income taxes are recorded under the liability method. Under this method, deferred income taxes are recognized for the estimated future

tax effects of differences between the tax basis of assets and liabilities and their financial reporting amounts as well as net operating loss carryforwards and tax credits based on enacted tax laws.

Valuation allowances are established when necessary to reduce deferred tax assets to the amount more likely than not to be realized.

A tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits. The amount recognized is measured as the largest amount of tax benefit that is greater than 50% likely of being recognized upon its effective resolution.

Revenue Recognition—The Company's revenues result from the sale of goods and reflect the consideration to which the Company expects to be entitled. The Company records revenue based on a five-step model in accordance with ASC Topic 606, *Revenue from Contracts with Customers*. For its contracts with customers, the Company identifies the performance obligations (goods), determines the transaction price, allocates the contract transaction price to the performance obligations, and recognizes the revenue when the performance obligation is transferred to the customer. A good is transferred when the customer obtains control of that good. All of the Company's revenues are recorded at a point in time from the sale of tangible products.

Each customer contract for goods transferred generally has a single performance obligation for which revenue is recognized at a point in time.

Each customer purchase order sets forth the transaction price for the products and services purchased under that arrangement. Some customer arrangements may include variable consideration, such as customer volume rebates, product returns, discounts and allowances. These are variable considerations and are recorded as a reduction of revenue in the same period the related sales are recorded. The Company exercises judgment to estimate the most likely amount of variable consideration at each reporting date.

Revenue is measured as the amount of consideration expected to be received in exchange for the transfer of goods or services to customers. Revenue is derived from product sales and is reported net of sales discounts, rebates, incentives, returns and other allowances offered to customers, if applicable.

Amounts billed to customers for shipping and handling activities to fulfill the Company's promise to transfer the goods are included in revenues and costs incurred by the Company for the delivery of goods are included in cost of sales in the consolidated statement of operations.

Recently Issued Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, *Income Taxes – Improvements to Income Tax Disclosures*. This guidance modifies the disclosure requirements surrounding income taxes, indicating existing income tax disclosures should be enhanced to provide information to better assess how an entity's operations and related tax risks and tax planning and operational opportunities affect its tax rate and prospects for future cash flows. The guidance is effective for the Company for the fiscal year beginning after December 15, 2025.

In March 2024, the FASB issued ASU 2024-01, *Scope Application of Profits Interest and Similar Awards*. This guidance provides clearer examples of when a company should apply ASC 710 verse ASC 718 when accounting for profits interest and similar awards. The guidance is effective for the Company for the fiscal year beginning after December 15, 2025.

Reclassification of Prior-Period Amounts

During the year ended December 31, 2025, the Company changed the presentation of certain financial statement line items to better align with the nature of the underlying activities and to enhance comparability with industry practice. Specifically, the Company reclassified a portion of Management and other fees along with Restructuring and severances expenses to Other selling,

general and administrative expenses, net on the consolidated statements of operations. As a result, \$16,696 previously reported for the year ended December 31, 2024 has been reclassified to conform to the current-year presentation.

The reclassification did not impact total assets, total liabilities, net income, cash flows, or shareholders' equity for any of the periods presented.

4. INVENTORIES

Inventories as of December 31, 2025 and 2024 consist of the following:

<i>(\$ in thousands)</i>	2025	2024
Inventories:		
Finished goods	\$ 67,869	\$ 62,827
Work in process	19,741	21,652
Raw material and supplies	25,754	27,896
	\$ 113,364	\$ 112,375

During 2024, the company conducted a SKU profitability study to better understand MW customer purchasing frequency and volume. After reviewing the results of the study, MW modified the estimate for the Company's inventory reserve. The change in estimate associated with the reserve during 2024 reduced the carrying value of inventory by \$11,448 and is reflected in other cost of sales in the year ended December 31, 2024 Consolidated Statements of Operations.

5. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment as of December 31, 2025 and 2024 is summarized as follows:

<i>(\$ in thousands)</i>	2025	2024
Property, plant, and equipment:		
Machinery and equipment	\$ 122,162	\$ 127,122
Buildings and building improvements	23,197	21,142
Land	320	320
Computer equipment, furniture and fixtures	25,681	20,935
Construction in process	6,332	7,982
Vehicles	1,801	1,805
Total property, plant, and equipment	179,493	179,306
Less accumulated depreciation	(83,515)	(72,234)
Total property, plant, and equipment—net	\$ 95,978	\$ 107,072

Depreciation expense related to property, plant, and equipment for the years ended December 31, 2025 and 2024 was \$17,948 and \$15,308, respectively. Depreciation associated with manufacturing assets and operations is included in depreciation within the consolidated statements of operations. Depreciation associated with computer and office equipment is recorded within depreciation and amortization within the consolidated statements of operations.

In connection with our Pontotoc, MS facility closure (further discussed in note 13), the Company evaluated the related machinery and equipment for impairment in accordance with ASC 360, Property, Plant, and Equipment. The assessment indicated that the carrying amount of an asset group was not recoverable based on estimated future cash flows. As a result, the Company

recognized an impairment loss of \$2,751, representing the excess of the assets' carrying amount over their estimated fair value. Estimated fair value was determined using management's estimate of selling prices. The impairment loss is included in "Impairment of long-lived assets" in the accompanying statement of operations for the year ended 2025. The assets impacted by this impairment loss are classified as held for sale as of the year ended December 31, 2025. Their valuation of \$1,350 is included in Machinery and Equipment within Property, Plant and Equipment, Net on the Balance Sheet.

6. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill—Acquisitions are accounted for using the acquisition method. Changes in the carrying amount of goodwill are as follows:

<i>(\$ in thousands)</i>	<u>2025</u>	<u>2024</u>
Gross Carrying Amount - January 1	581,437	581,373
Additions	<u>-</u>	<u>64</u>
Balance at December 31	\$ 581,437	\$ 581,437
Gross accumulated amortization - January 1	(365,415)	(307,266)
Amortization expense	<u>(58,143)</u>	<u>(58,149)</u>
Total Amortization	(423,558)	(365,415)
Net book value at December 31	<u>\$ 157,879</u>	<u>\$ 216,022</u>

The goodwill balance reflects both deductible and non-deductible goodwill. Approximately \$116,356 and \$131,004 of deductible goodwill remains for tax purposes as of December 31, 2025 and 2024, respectively.

Intangible Assets—The changes in the carrying value of intangible assets (tradenames) are as follows:

<i>(\$ in thousands)</i>	Indefinite	Definite	Total
Gross Carrying Value—December 31, 2024	\$ 53,766	4,350	\$ 58,116
Accumulated Amortization - Historical	-	(150)	\$ (150)
Accumulated Amortization - Current year	<u>-</u>	<u>(600)</u>	<u>(600)</u>
Net Carrying Value—December 31, 2024	<u>\$ 53,766</u>	<u>\$ 3,600</u>	<u>\$ 57,366</u>
Accumulated Amortization	<u>-</u>	<u>(600)</u>	<u>(600)</u>
Net Carrying Value—December 31, 2025	<u>\$ 53,766</u>	<u>\$ 3,000</u>	<u>\$ 56,766</u>

Amortization expense related to definite lived intangibles assets, other than goodwill, for both years ended December 31, 2025 and 2024 was \$600.

Future Amortization (\$ in thousands)	Goodwill	Definite Lived Assets
2026	58,144	600
2027	46,682	600
2028	15,170	544
2029	12,069	374
2030	11,445	374
Thereafter	<u>14,369</u>	<u>508</u>
Total	<u>\$ 157,879</u>	<u>\$ 3,000</u>

7. FINANCING

Long-term debt of the Company at December 31, 2025 and 2024 consisted of the following:

(\$ in thousands)	<u>2025</u>	<u>2024</u>
Term loan	638,489	638,489
Revolver	69,500	55,000
Subordinated debt	1,908	2,480
Deferred financing costs, net	<u>(13,062)</u>	<u>(16,135)</u>
	696,835	679,834
Less: current portion of long-term debt	<u>(558)</u>	<u>(572)</u>
	<u>\$ 696,277</u>	<u>\$ 679,262</u>

Credit Agreement

On March 31, 2023, the Company entered into a credit agreement with a group of financial institutions. The credit agreement provided a term loan of \$675,000 aggregate principle, and a line of credit with a \$150,000 borrowing capacity. The Company incurred \$25,037 in capitalizable debt issuance costs in conjunction with this financing.

As of December 31, 2025 and 2024, the Company has \$69,500 and \$55,000, respectively, outstanding borrowings on the revolving credit facility. The borrowing capacity under the revolving credit facility is \$125,000 after a reduction in borrowing capacity due to the disposition of the life science entities in 2023. Capacity on the revolver was \$51,600 as of December 31, 2025 after reflecting \$3,900 of outstanding letters of credit. The interest rate on the new revolving credit facility was 7.83% (3.73% SOFR rate plus 4.1% margin rate) and 8.44% (4.34% SOFR rate plus 4.1% margin rate) as of December 31, 2025 and 2024, respectively. Associated interest expense for the years ended December 31, 2025 and 2024 was \$6,349 and \$3,554.

As of December 31, 2025 and 2024, the balance on the new term loan was \$638,489. The loan is scheduled to be paid via quarterly principal payments of \$1,687 with final payment due on March 31, 2030. In December 2023, the Company prepaid \$34,823 of the principal balance owed using funds received from the disposition of the life science entities, as referenced in Note 2. This excess cash flow prepayment (as defined in the credit agreement) eliminated the monthly principal installments owed until December 31, 2029. The interest rate on the new term loan was 11.02% (4.02% SOFR rate plus 7% margin rate) and 11.46% (4.46% SOFR rate plus 7% margin rate) as of December 31, 2025 and 2024, respectively. Interest expenses for the years ended December 31, 2025 and 2024 was \$73,575 and \$80,216, respectively.

Financing costs related to outstanding loans are capitalized and reflected as a reduction to the long-term debt on the consolidated balance sheets. Amortization of these deferred financing costs is recognized as interest expense in the consolidated statement of operations over the outstanding loan periods based on the straight-line interest method, which approximates the effective interest method. For the years ended December 31, 2025 and 2024, deferred financing costs associated with the term loan were \$13,062 and \$16,136, respectively. These balances are reflected within Long Term Debt on the consolidated balance sheet. Deferred financing costs associated with the revolving credit facility were \$1,586 and \$2,290 for the years ended December 31, 2025 and 2024, respectively. These balances are reflected within other assets on the consolidated balance sheet. Amortization of deferred financing costs for both years ended December 31, 2025 and 2024 were \$3,778.

The loans are collateralized by substantially all the assets of the Company and the carrying amount of the Company's long-term debt approximates fair value.

Debt Covenants - The Company's borrowing under the new credit agreement contain certain financial covenants, including Total Net Leverage Ratio. As of December 31, 2025 and 2024, the Company was in compliance with all financial covenants.

Subordinated Debt - On June 16, 2020, the Company received a loan from the state of Connecticut in the amount of \$784 to support economic growth in the state. An additional amount of \$1,591 was received on May 28, 2021. The total balance of is due by June 16, 2030 and the interest rate as of December 31, 2025 and 2024 was 3.25%. The principal balance remaining on this loan was \$1,708 and \$2,055 as of December 31, 2025 and 2024, respectively. Interest expense for the year ended December 31, 2025 and 2024 was \$62 and \$73, respectively.

Maturities of long-term debt as of December 31, 2025 are as follows:

2026	558
2027	370
2028	382
2029	1,009
2030	1,891
Thereafter	<u>705,687</u>
	<u>709,897</u>

8. EQUITY COMPENSATION

The Company's parent entity has an equity compensation plan that provides equity options to officers, key employees, and key non-employees of the Company to assist the Company in attracting and retaining employees of outstanding ability and to promote the alignment of their interests with the parent entity to drive growth and profitability. While the options are redeemable for equity in the parent, these transactions have been accounted for as if the options were redeemable for the Company's stock because the issuance of the options is considered a capital contribution to the Company and any par value on the issuance of shares would not be significant.

The options are separated into four tranches. The first tranche vests and becomes exercisable ratably over five years from the date of grant or immediately upon a change of control event. The remaining tranches are exercisable based on a change of control and performance-related events.

The Company recognized stock compensation expense of \$735 and \$1,335 related to outstanding options with time-based vesting for the years ended December 31, 2025 and 2024, respectively. As of December 31, 2024, the Company had recorded a note receivable from its parent company for \$3,100 resulting from certain equity repurchases paid by the Company. The note receivable was repaid in full during 2025. The activity from the note receivable has been recorded within stockholder's equity on the consolidated balance sheets.

9. EMPLOYEE BENEFIT PLANS

Retirement Savings Plan—MW Industries, Inc. (“MWI”), a wholly owned subsidiary of the Company’s Parent, has a Consolidated Employer Retirement Savings Plan (the “Consolidated Plan”) under Section 401(k) of the Internal Revenue Code. All employees that have reached the age of eighteen and completed one month of service are eligible to participate in the Consolidated Plan on the first day of the following month.

Employees may elect to enter into a written salary deferral agreement under which a maximum of 75% of their salary, subject to aggregate limits required under the Internal Revenue Code, may be contributed to the Consolidated Plan. Some or all an employee’s contributions may be designated as a Roth Deferral Contribution.

All employer matching contributions and retirement contributions are made on a discretionary basis, subject to annual review and adjustment by management of the Company.

For the years ended December 31, 2025 and 2024, the Company contributed \$5,359 and \$5,344, respectively, to the Consolidated Plan.

Other Postretirement Benefits—Steelworkers Pension Trust is a multiemployer defined benefit plan. The plan sponsor’s Employer Identification Number is 23-6648508, and the Plan Number is 499. A unique characteristic of a multiemployer plan compared to a single employer plan is that all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers.

As of December 31, 2025, approximately 5.4% of the Company’s employees participate in the Steelworkers Pension Trust through an agreement with the United Steelworkers, which expires on October 1, 2026. The Company’s contributions were less than 5% of the total contributions to the plan by all participating employers.

For the years ended December 31, 2025 and 2024, the Company contributed approximately \$270 and \$210, respectively, to the Steelworkers Pension Trust.

10. INCOME TAXES

The components of the Company’s income tax expense for the years ending December 31, 2025 and December 31, 2024 consist of the following:

<i>(\$ in thousands)</i>	<u>12.31.2025</u>	<u>12.31.2024</u>
Current Tax Expense/(Benefit)		
U.S. Federal	(1,937)	4,630
U.S. State and Local	<u>(658)</u>	<u>(581)</u>
Total Current Tax Expense	<u>(2,595)</u>	<u>4,049</u>
Deferred Tax Expense/(Benefit)		
U.S. Federal	(698)	(2,646)
U.S. State and Local	<u>(131)</u>	<u>(310)</u>
Total Deferred Tax Expense	<u>(829)</u>	<u>(2,956)</u>
Total Income Tax (Benefit) Expense	<u>(3,424)</u>	<u>1,093</u>

Deferred tax assets (liabilities) at December 31 are comprised as follows:

<i>(\$ in thousands)</i>	<u>12.31.2025</u>	<u>12.31.2024</u>
Deferred Tax Assets:		
Lease Liability	36,428	34,757
Interest limitation carryforward	52,878	38,045
Capitalized R&E Expenditures	5,091	10,603
Inventory	7,964	9,504
Net operating loss and tax credit carryforwards	6,913	2,272
Stock Compensation	539	593
Accrued Expenses and Reserves	889	938
		-
Total Gross Deferred Tax Assets before Valuation Allowances	110,702	96,712
Valuation Allowance	<u>(57,302)</u>	<u>(42,745)</u>
Total Gross Deferred Tax Assets after Valuation Allowances	<u>53,400</u>	<u>53,967</u>
Deferred Tax Liabilities:		
Right of Use Asset	(35,415)	(34,336)
Fixed and Intangible Assets	(17,964)	(19,918)
Other	<u>(477)</u>	<u>(998)</u>
Total Gross Deferred Tax Liabilities	<u>(53,856)</u>	<u>(55,252)</u>
Total Gross Deferred Tax Liability	<u>(456)</u>	<u>(1,285)</u>

The difference between the Company's effective tax rate and the enacted federal statutory tax rate is primarily the result of the nondeductible amortization, state taxes and changes in the valuation allowances.

The Company has federal net operating loss carryforwards as of December 31, 2025 and 2024 of \$12,632 and \$0 (\$2,653 and \$0 of deferred tax assets), respectfully. The Company has state tax net operating loss carryforwards of \$74,667 and \$58,099 (\$2,847 and \$2,089 of deferred tax assets), respectively, and state tax credits of \$403 and \$181, respectively. The state net operating losses begin to expire in 2026 and the state tax credits began to expire in 2025.

The Company has evaluated its deferred tax assets for realization and has established a valuation allowance against certain federal and state deferred tax assets as of December 31, 2025 and 2024 of \$57,302 and \$42,744, respectively. Realization of deferred tax assets is dependent upon generating sufficient taxable income prior to their expiration. The Company believes that it is more likely than not that the benefit from these deferred tax assets will not be fully realized, and as such has established a valuation allowance on certain federal and state deferred tax assets.

As of December 31, 2025, the Company was open to examination in the U.S. federal tax jurisdiction for the previous three years and open to examination in various state and local jurisdictions for the previous 3-4 years. There are no on-going federal or state examinations as of December 31, 2025.

It is the policy of the Company to recognize accrued interest and penalties related to unrecognized tax benefits in income tax expense. The Company has not recorded any unrecognized tax benefits and recognized no interest or penalties relating to tax matters for the year ended December 31, 2025.

11. RELATED PARTIES

Effective September 29, 2017, the Company entered into an agreement with American Securities for management consulting and financial advisory services to which the Company pays fees to stockholders and affiliates. Annual fees under the advisory service agreement amount to \$2,000, payable in equal quarterly installments plus incurred expenses. During the years ended December 31, 2025 and 2024, the Company incurred management fees of \$2,107 and \$2,005, respectively from American Securities. These fees were recorded on the consolidated statement of operations within management and other fees.

In the year ended December 31, 2025, the Company received \$1,882 in connection with the execution of a promissory note with its parent company. The note bears interest at 3.73% per annum and matures in October 2028. The amount received is recorded within Other liabilities on the Balance Sheet. The cash inflow related to this transaction is presented within Other financing activities in the Statement of Cash Flows.

12. LEASE COMMITMENTS

As part of the adoption of ASU 2016-02 – Leases during the year ending December 31, 2022, the Company elected the package of practical expedients provided under the guidance. The practical expedient package applies to leases commenced prior to the adoption of the new standard and permits companies not to reassess whether existing or expired contracts are or contain a lease, the lease classification and any initial direct costs for any existing leases. The Company has elected the short-term lease expedient. A short-term lease is a lease that, as of the commencement date, has a term of twelve months or less and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise. For such leases, the Company will not apply the recognition requirement of ASC 842 and instead will recognize the lease payments over the lease term. The Company elected the practical expedient to not separate lease and non-lease components. Accordingly, the Company accounted for existing operating leases as operating leases under the new standard, without reassessing (a) whether the contracts contain a lease under ASC 842, (b) whether classification of the operating leases would be different in accordance with ASC 842, or (c) whether any unamortized initial direct costs would have met the definition of initial direct costs in ASC 842 at lease commencement. The Company elected the hindsight practical expedient to determine the lease term and assessment of impairment of right-of-use (“ROU”) assets for existing leases, noting no impairment was indicated.

The Company determines whether an arrangement is a lease at inception. ROU lease assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. ROU lease assets and liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term. When the implicit rate is not readily determinable, the Company uses 5-year risk free rate based on the information available at the lease commencement date in determining the present value of lease payments. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Amortization of the ROU lease assets is recognized in expense on a straight-line basis over the lease term.

Short-term leases are leases having a term of twelve months or less. The Company recognizes short-term leases on a straight-line basis and does not record a related lease asset or liability for such leases. The Company has variable payment operating leases based primarily on a rental payment tied to an inflation-based index in 2022. Finance lease ROU assets consist primarily of equipment used in the manufacturing process with terms greater than twelve months to five years. Operating lease ROU assets consist of the following:

- Equipment used in the manufacturing process as well as office equipment with terms three years to five years; and
- Manufacturing plants and office facilities with terms of three years to 20 years.

The following table presents the lease related assets and liabilities recorded on the consolidated balance sheets as of December 31, 2025 and December 31, 2024, respectively.

(\$ in thousands)	Financial Statement Line Item	2025	2024
Assets			
Operating Leases assets	Operating Lease and Right of Use Asset-Net	\$ 147,668	\$ 139,434
Finance Lease Assets, net	Other Assets	621	526
		<u>\$ 148,289</u>	<u>\$ 139,960</u>
Liabilities			
Current Liabilities			
	Operating lease	\$ 10,210	\$ 9,061
	Finance lease	245	142
Long-Term Liabilities			
	Operating lease	141,683	132,557
	Finance lease	393	406
Total Lease Liabilities		<u>\$ 152,531</u>	<u>\$ 142,166</u>

The maturities of lease liabilities greater than twelve months as of December 31, 2025 are as follows:

	Operating Lease	Finance Lease
2026	\$ 16,158	\$ 268
2027	15,830	215
2028	13,781	143
2029	13,501	47
2030	13,307	8
Thereafter	133,180	-
	<u>205,757</u>	<u>681</u>
Less: Imputed Interest	53,864	43
Total Lease Liabilities	<u>\$ 151,893</u>	<u>\$ 638</u>

The weighted-average remaining lease term and weighted-average discount rate for operating and finance leases as of December 31, 2025 as follows:

	December 31, 2025	
	Operating leases	Finance Leases
Weighted-average remaining lease term	13.94	2.93
Weighted-average discount rate	4.17	4.54

Rental Expense under all operating leases of the Company for the years ended December 31, 2025 and 2024 was \$18,589 and \$17,205, respectively, and is recorded on the consolidated statement of operations within cost of sales and other selling, general and administrative expenses.

Cash paid for operating leases was \$16,910 and \$11,728 for the years ended December 31, 2025 and December 31, 2024, respectively.

13. RESTRUCTURING AND SEVERANCE

During the year ended December 31, 2024, the Company incurred restructuring costs in our continued efforts to consolidate locations with similar products and processes. The Company executed our largest consolidation which combined three locations in the greater Chicago area into the new facility in Addison, IL to house the production of all associated products and gain operational efficiencies. Additionally, a smaller consolidation was completed of one of our Ohio facilities and moved that production into its neighboring site. These, along with smaller non-recurring projects totaled \$9,899 during the year ended December 31, 2024.

The Company also incurred expenses during the year ended December 31, 2025 in its final consolidation activities within the Addison, IL facility and smaller non-recurring projects. These expenses totaled \$1,844 during the year ended December 31, 2025.

Facility Closure and Relocation Costs are recorded on the consolidated statement of operations within Other selling, general, and administrative expenses, net.

Also during the year ended December 31, 2025 the Company approved and executed a plan to cease operations at its Pontotoc, MS facility. Shutdown activities were substantially completed in April 2025.

The Company incurred expenses associated with the closure, including employee separation costs, relocation or removal costs and general facility cleaning. Closure-related charges, excluding the impairment loss, were \$4,381 for the year ended December 31, 2025. Severance-related costs for the year ended December 31, 2025 were \$1,452. These costs are presented within Other selling, general, and administrative expenses, net in the statement of operations.

As of December 31, 2025 and 2024, the Company has recorded an estimated liability of \$432 and \$638, respectively, related to severance payments that will be paid out within the next year within accrued liabilities on the consolidated balance sheet.

14. COMMITMENTS AND CONTINGENCIES

The Company is from time to time involved in various litigation or claims arising in the normal course of business. Management does not believe that the outcome of these proceedings will have a material adverse effect on the consolidated financial condition or results of operations of the Company.

15. SUBSEQUENT EVENTS

Management has evaluated all subsequent events and transactions through February 27, 2026, the date the consolidated financial statements were available to be issued, for possible adjustments to or disclosures in the consolidated financial statements.

Helix Acquisition Holdings, Inc. and Subsidiaries

Consolidated Financial Statements as of and for the
Years Ended December 31, 2024 and 2023, and
Independent Auditors' Report

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Helix Acquisition Holdings, Inc.

Opinion

We have audited the consolidated financial statements of Helix Acquisition Holdings, Inc. (a Delaware corporation) and subsidiaries (the “Company”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations, changes in stockholder’s equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for one year after the date the consolidated financial statements are issued.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to

fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Grant Thornton LLP

Charlotte, North Carolina
March 27, 2025

HELIX ACQUISITION HOLDINGS, INC. AND SUBSIDIARIES

**CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31
(In thousands)**

	2024	2023
ASSETS		
CURRENT ASSETS:		
Cash	\$ 5,088	\$ 14,857
Accounts receivable—net of reserve for credit losses of \$1,327 and \$1,262 at December 31, 2024 and 2023, respectively	69,510	80,225
Inventories	112,375	119,830
Income Tax Receivable	7,331	-
Prepaid expenses and other current assets	4,205	3,768
Total current assets	198,509	218,680
PROPERTY, PLANT, AND EQUIPMENT—Net	107,072	93,889
OPERATING LEASE RIGHT OF USE ASSET—Net	139,434	126,937
OTHER ASSETS	2,818	3,289
GOODWILL—Net	216,022	274,107
INTANGIBLE—Net	57,366	57,966
TOTAL	<u>\$ 721,221</u>	<u>\$ 774,868</u>
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 35,184	\$ 33,260
Accrued liabilities	19,292	39,927
Short term lease liabilities, net	9,203	9,085
Current portion of long-term debt	572	336
Total current liabilities	64,251	82,608
LONG-TERM DEBT—Net of current portion	679,262	621,335
LONG-TERM OPERATING LEASE LIABILITIES—Net	132,557	113,766
OTHER LIABILITIES	2,844	3,111
DEFERRED INCOME TAXES	1,285	4,241
Total liabilities	880,199	825,061
STOCKHOLDER'S EQUITY:		
Common stock and additional paid-in capital	276,066	274,731
Note receivable from parent	(3,100)	(3,100)
Accumulated deficit	(431,944)	(321,824)
Total stockholder's equity	(158,978)	(50,193)
TOTAL	<u>\$ 721,221</u>	<u>\$ 774,868</u>

See notes to consolidated financial statements.

HELIX ACQUISITION HOLDINGS, INC. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31**

(In thousands)

	<u>2024</u>	<u>2023</u>
NET SALES	\$ 499,407	\$ 461,949
COST OF SALES:		
Other cost of sales	362,643	307,762
Depreciation	10,940	9,231
Total cost of sales	<u>373,583</u>	<u>316,993</u>
GROSS PROFIT	<u>125,824</u>	<u>144,956</u>
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES:		
Depreciation and amortization	63,487	76,908
Stock compensation expense	1,335	2,254
Other selling, general, and administrative expenses, net	68,965	63,122
Management and other fees	15,955	19,436
Restructuring and severance expense	3,372	5,445
Total selling, general, and administrative expenses	<u>153,114</u>	<u>167,165</u>
LOSS FROM OPERATIONS	(27,290)	(22,209)
OTHER (EXPENSE) INCOME	(1,206)	25,627
(GAIN) LOSS RELATED TO DERIVATIVE FINANCIAL INSTRUMENTS	(536)	764
INTEREST EXPENSE	<u>87,513</u>	<u>89,282</u>
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAX	(115,473)	(86,628)
INCOME TAX EXPENSE	<u>1,093</u>	<u>440</u>
NET LOSS - from continuing operations	<u>(116,566)</u>	<u>(87,068)</u>
Income from discontinued operations - including gain on disposal of \$102,456	-	114,249
Income tax (Benefit) Expense	<u>(6,446)</u>	<u>44,001</u>
NET INCOME - from discontinued operations	<u>6,446</u>	<u>70,248</u>
Net Loss	<u>\$ (110,120)</u>	<u>\$ (16,819)</u>

See notes to consolidated financial statements.

HELIX ACQUISITION HOLDINGS, INC. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31
(In thousands)**

	<u>Common Stock and Additional Paid-In Capital</u>	<u>Accumulated Deficit</u>	<u>Note Receivable from Parent</u>	<u>Total Stockholder's Equity</u>
BALANCE—December 31, 2022	\$ 357,627	\$ (305,005)	\$ (3,100)	\$ 49,522
Stock Compensation	2,253	-	-	2,253
Net loss	-	(16,819)	-	(16,819)
Distribution to Parent	(83,900)	-	-	(83,900)
Equity repurchases	<u>(1,249)</u>	<u>-</u>	<u>-</u>	<u>(1,249)</u>
BALANCE—December 31, 2023	274,731	(321,824)	(3,100)	(50,193)
Stock Compensation	1,335	-	-	1,335
Net loss	-	(110,120)	-	(110,120)
BALANCE—December 31, 2024	<u>\$ 276,066</u>	<u>\$ (431,944)</u>	<u>\$ (3,100)</u>	<u>\$ (158,978)</u>

See notes to consolidated financial statements.

HELIX ACQUISITION HOLDINGS, INC. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31
(In thousands)**

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (110,120)	\$ (16,819)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	74,427	89,981
Amortization of deferred financing costs	3,778	3,538
(Gain) Loss related to derivative financial instruments	(536)	535
Stock compensation	1,335	2,254
Gain on sale of property	(308)	(25,627)
Deferred income taxes	(2,956)	9,362
Other	5,827	3,739
Gain on discontinued operations	-	(102,456)
Changes in operating assets and liabilities:		
Accounts receivable	10,715	7,413
Inventories	7,455	9,976
Prepaid expenses and other assets	(7,767)	2,234
Accounts payable	1,829	4,468
Accrued liabilities	(20,699)	17,404
Net cash (used in) provided by operating activities	<u>(37,020)</u>	<u>6,002</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Divestitures	-	253,594
Acquisitions	-	(100,043)
Net proceeds from sale of property	3,113	54,763
Purchases of property, plant, and equipment	(30,526)	(21,422)
Net cash (used in) provided by investing activities	<u>(27,413)</u>	<u>186,892</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the issuance of long-term debt	-	675,000
Borrowings on revolving credit facility	65,300	127,500
Payments on revolving credit facility	(10,300)	(132,000)
Payment of long-term debt	-	(755,364)
Payment of debt issuance costs	-	(25,038)
Equity distributions and repurchases	-	(85,149)
Other	(336)	7,295
Net cash provided by (used in) financing activities	<u>54,664</u>	<u>(187,756)</u>
NET (DECREASE) INCREASE IN CASH	<u>(9,769)</u>	<u>5,138</u>
CASH:		
Beginning of period	<u>\$ 14,857</u>	<u>\$ 9,719</u>
End of period	5,088	14,857
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	82,734	66,213
Income taxes paid	28,329	12,780

See notes to consolidated financial statements.

HELIX ACQUISITION HOLDINGS, INC. AND SUBSIDIARIES

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

(In thousands, except share data)

1. ORGANIZATION

On September 29, 2017, ASP MWI Holdings, Inc. ("ASP") acquired the issued and outstanding common stock of Helix Acquisition Holdings, Inc., and its wholly owned subsidiaries (the "Company"). ASP was incorporated on June 27, 2017 by American Securities, Inc. ("American Securities") for purposes of the acquisition. The Company is a precision component and product manufacturer with its portfolio of components utilized in a diverse portfolio of industries.

2. BUSINESS ACQUISITIONS

All-Star Fasteners — On January 6, 2023, the Company acquired the assets of All-Star Fasteners for a purchase price of \$8,750. The acquisition was funded through a \$9,500 revolving line of credit draw. The products of All-star fasteners are complementary to the product portfolio of the Company. The Company incurred \$254 in buyer transaction expenses that were recorded to management and other fees on the consolidated statement of operations. The following table summarizes the final purchase price allocations based on the fair values of acquired assets and liabilities as of the acquisition date. The total goodwill deducted for tax purposes was \$5,289.

<i>(\$ in thousands)</i>	Final
Current assets	3,920
Property, plant, and equipment	415
Goodwill	5,289
Total assets	9,624
Current liabilities	874
Total liabilities	874
Net assets acquired	8,750

Western Wire Products, Co. — On June 9, 2023, the Company acquired the assets of Western Wire Products, Co. for a purchase price of \$30,914. The acquisition was funded through \$10,000 of borrowing on our revolving line of credit and remainder with cash on the Company's balance sheet. The Company incurred \$548 in buyer transaction expenses that were recorded to management and other fees on the consolidated statement of operations. The products of Western Wire Products, Co. are complementary to the product portfolio of the Company. The following table summarizes the final purchase price allocations based on the estimated fair values of acquired assets and liabilities as of December 31, 2023. The total goodwill deducted for tax purposes was \$19,082.

<i>(\$ in thousands)</i>	Final
Current assets	4,814
Property, plant, and equipment	7,317
Goodwill	19,082
Total assets	31,213
Current liabilities	299
Total liabilities	299
Net assets acquired	30,914

Elgin Fastener Group — On September 8, 2023, the Company acquired 100% of the outstanding shares of Elgin Fastener Group (“EFG”) for a purchase price of \$61,890. The acquisition was funded with cash from the Company’s balance sheet. The products of EFG are complementary to the product portfolio of the Company. The Company incurred \$2,221 in buyer transaction expenses that were recorded to management and other fees on the consolidated statement of operations. The following table summarizes the final purchase price allocations based on the estimated fair values of acquired assets and liabilities as of December 31, 2023. The Company will complete the purchase price allocations upon finalization of tax attributes and related recoverability. The total amount of goodwill expected to be deductible for tax purposes is \$8,399.

<i>(\$ in thousands)</i>	<u>Final</u>
Current assets	35,891
Property, plant, and equipment	20,973
ROU assets	25,333
Goodwill	5,891
Intangible assets	4,350
Other noncurrent assets	<u>102</u>
Total assets	92,540
Current liabilities	12,833
Non-current liabilities	<u>17,817</u>
Total liabilities	<u>30,650</u>
Net assets acquired	61,890

As of December 31, 2023, management period adjustments were primarily driven by aligning EFG policies with those of the Company.

3. DISCONTINUED OPERATIONS

On December 6, 2023, the Company completed the separation of three of our subsidiaries (collectively the “life science entities”) through the sale of these business units to AMETEK Inc. for \$253,420 in cash. The accounting requirements for reporting the disposal of this business unit as a discontinued operation were met when the separation was completed. Accordingly, the historical results of the life sciences entities were presented as discontinued operations as of December 31, 2023, and, as such were excluded from continuing operations for all periods presented. The Company’s presentation of discontinued operations did not include general overhead costs, as those had not been historically allocated to the subsidiaries. In addition, discontinued operations exclude the historical intercompany activity between the company and the life science entities. Separation and other selling costs of \$876 were incurred in 2023 were included in income from discontinued operations in the consolidated income statement. These charges primarily relate to transaction and third-party costs. Interest expense of \$7,841 associated with \$148,823 borrowings under the credit agreement which was required to be repaid from proceeds of the transaction, was allocated to discontinued operation for the year ended December 31, 2023.

<i>(\$ in thousands)</i>	<u>2023*</u>
For the year ended December 31:	
Net sales	85,853
Cost of sales	63,029
SG&A	3,190
Interest expense	<u>7,841</u>
Income on discontinued operations	11,793
Gain on disposal of discontinued operations	102,456
Income tax expense	<u>44,001</u>
Income from discontinued operations, net of tax	70,248

*Includes 11 months and 6 days of activity through the 12/6/2023 disposal date for the life science entities.

During 2024, the Company had a return-to-provision adjustment associated with the tax verse book basis of one of the three life science entities. Such adjustment resulted in a tax benefit of \$6,446 from discontinued operations for the year ended December 31, 2024.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the Company are described below and are in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Business—The Company manufactures, sells and distributes custom and stock springs and component hardware products to manufacturing and distribution companies in a variety of industries primarily in the United States.

Principles of Consolidation—The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany transactions and accounts are eliminated.

Use of Estimates—The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amount of revenues and expenses in the reporting period. Actual amounts could differ from those estimates.

Cash —The Company considers all highly liquid investments with an original maturity of three months or less to be cash. The Company does not have any cash equivalents as of December 31, 2024 and December 31, 2023.

Concentrations of Credit Risk —The Company manufactures, sells and distributes its products to a wide range of customers primarily in the manufacturing industry. The Company performs ongoing credit evaluations of its customers and generally does not require collateral. The Company maintains reserves for potential credit losses, and such losses have historically been within management's expectations. As of December 31, 2024 and 2023, the Company had no significant concentrations of credit risk.

The Company maintains its cash at various high-quality financial institutions. The consolidated account balances at each institution typically exceed FDIC insurance coverage and, as a result, there is a concentration of credit risk related to amounts on deposit in excess of FDIC insurance coverage. The Company believes this risk is not significant.

Inventories—Inventories are stated at the lower-of-cost or net realizable value, determined substantially using the first-in first-out actual costing method. Inventories include the cost of materials, direct (internal and external) labor and manufacturing overhead. Obsolete or excess inventories are reflected at their estimated net realizable values.

Property, Plant, and Equipment—Property, plant and equipment acquired in a business combination is recorded at acquisition date fair value. Property, plant, and equipment not acquired as part of a business combination is recorded at cost. Property, plant, and equipment is depreciated using the straight-line method over the estimated useful lives of the assets, which range from three to thirty years.

Expenditures for repairs, maintenance and minor renewals are charged to expense as incurred. Expenditures that improve an asset or extend its estimated useful life are capitalized. When assets are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss is included in the consolidated statement of operations.

Intangible and Other Assets—As of December 31, 2024 and 2023, \$53,766 of the Company’s intangible assets, other than goodwill, had indefinite lives. Indefinite-lived intangible assets are not amortized. For the reporting period, the Company evaluated the intangible assets that are not being amortized to determine whether events and circumstances continue to support an indefinite useful life. Management concluded that an indefinite useful life continued to be appropriate for the Matthew Warren tradename.

As of December 31, 2024 and 2023, the Company’s definite-lived intangible assets were \$3,600 and \$4,200, respectively.

Indefinite-lived intangible assets are not subject to amortization and are assessed at least annually for impairment in conjunction with the Company’s impairment testing or more frequently if certain events or circumstances warrant. The Company performed impairment tests as of December 31, 2024 and 2023 and concluded there was no impairment.

The valuation methodology for intangible assets and underlying financial information that is used to determine fair value requires significant judgments to be made by management. These judgments include, but are not limited to, valuation methodology, long-term projections of future financial performance and the selection of appropriate royalty rates and discount rates used to determine the present value of future cash flows. Changes in such estimates or the application of alternative assumptions, such as selecting a different royalty rate or discount rate, could produce significantly different results that include the possibility of impairments.

Fair values of trademarks are determined using a relief from royalty method, a common income approach methodology for these types of assets, which estimates fair value based upon a projection of future revenues and an assumed royalty rate discounted to present value (level 3 fair value).

Impairment of Long-Lived Assets—The Company continually evaluates its finite-lived long-lived assets in light of events and circumstances that may indicate that the remaining estimated useful life may warrant revision or that the remaining value may not be recoverable. When factors indicate that these assets should be evaluated for possible impairment, the Company uses an estimate of the related undiscounted cash flows over the remaining life of the asset in measuring whether that asset or asset group is recoverable. To the extent an impairment has occurred, the excess of the carrying value of the assets over their estimated fair value is charged to the consolidated statements of operations. The Company concluded there were no indicators of impairment of long-lived assets for the years ended December 31, 2024 and December 31, 2023.

Goodwill—Goodwill is recorded when the purchase price paid for an acquisition exceeds the estimated fair value of the net identified tangible and intangible assets acquired. In accordance with FASB Accounting Standards Update (“ASU”) No. 2014-02, *Intangibles—Goodwill and Other (Topic 350): Accounting for Goodwill (a consensus of the Private Company Council)* (“ASU 2014-02”), the Company, as a private entity, has elected to amortize goodwill on a straight-line basis over a useful life of ten years.

The Company is required to test goodwill for impairment only when a specific triggering event occurs instead of having to perform the test annually or more frequently if indicators of impairment exist. The Company assessment is done at the entity-wide level. The Company assessed goodwill for impairment post the sale of our life science entities (Note 3) and determined there to be no impairment as of December 31, 2023. There were no triggering events for the Company December 31, 2024.

Fair Value of Financial Instruments—The carrying amount of cash and cash equivalents, accounts receivable, and certain other current assets and current liabilities approximates fair value due to their short-term nature. The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price). Observable inputs or unobservable inputs, defined by FASB Accounting Standards Codification (“ASC”) Topic 820, *Fair Value Measurement*, may be used in the calculation of fair value.

Equity-Based Compensation—Equity-based employee compensation is accounted for at fair value under FASB ASC Topic 718, *Compensation—Stock Compensation*. The estimation of the fair value of employee equity options requires that management make complex estimates and judgments. The Company utilizes the Black-Scholes option pricing model to estimate the fair value of the time-vested employee equity options. The Company utilizes a Monte Carlo simulation model to estimate the fair value of performance vested employee equity options. Both the Black-Scholes option pricing model and the Monte Carlo simulation model require the use of various assumptions, including expected life of options, risk free interest rate, expected volatility and dividend yield. Compensation expense related to the time-vested employee equity options is recognized ratably in selling, general, and administrative expense in the consolidated statements of operations over the period during which an employee is required to provide service in exchange for the award. Compensation expense for the performance vested equity options will be recognized when performance is probable, which will occur at the time the Company experiences a liquidity event.

Derivatives—The Company uses derivative financial instruments to offset exposure to market risks arising from changes in interest rates. The derivative financial instruments used by the Company consist of an interest rate swap, an interest rate cap, and an interest rate collar.

The interest rate collar was consummated in December 2018 for \$270,000 of the floating rate debt (LIBOR variable rate). An interest rate collar is a combined instrument that contains an interest rate cap and an interest rate floor. At the time of issuances, the fair value of the interest rate cap and interest rate floor are equal, but opposite. The interest rate cap was set at 3.555%. The interest rate floor was set at 2.00%. The effective date for the interest rate collar was December 31, 2018 with a termination date of December 31, 2023. Any cash inflows or outflows would occur quarterly. The fair market value of this instrument is recorded on the consolidated balance sheet as other assets or liabilities depending on the fair value. As of December 31, 2023 this interest rate collar was expired with \$0 value associated with the contract. The change in fair value in 2023 of (\$229) was recorded on the consolidated statement of operations within gain or loss related to derivative financial instruments.

The Company has one derivative financial instrument as of December 31, 2024 and 2023 is an interest rate collar consummated in May 2023 for \$415,000, to hedge the interest rate on the Company's new term loan. The interest rate cap was set at 5.50%. The interest rate floor was set at 1.42%. The effective date of this collar was May 10, 2023 with a termination date of May 11, 2026. Any cash inflows or outflows occur quarterly. The fair market value of this instrument is recorded on the consolidated balance sheet as other assets or liabilities depending on the fair value. As of December 31, 2023 the fair value of the interest rate collar was (\$535) within other liabilities (level 3 fair value). As of December 31, 2024 the fair value of this interest rate collar was \$1 within other assets (level 3 fair value). The change in value since inception in March 2023 was (\$535) and the change in value in 2024 was \$536. These changes in value were reported in the consolidated statement of operations within gain or loss related to derivative financial instruments.

The Company has not elected hedge accounting treatment for these instruments and, as a result, the change in fair values is recorded directly to gain or loss on derivative financial instruments in the consolidated statements of operations. The fair market values of the instruments are recorded on the consolidated balance sheets as other assets or other liabilities depending on the fair value.

Income Tax Provision—The provision for income taxes includes federal, state and local income taxes currently payable and deferred taxes arising from temporary differences between the financial statement and tax basis of assets and liabilities. Income taxes are recorded under the liability method. Under this method, deferred income taxes are recognized for the estimated future tax effects of differences between the tax basis of assets and liabilities and their financial reporting amounts as well as net operating loss carryforwards and tax credits based on enacted tax laws.

Valuation allowances are established when necessary to reduce deferred tax assets to the amount more likely than not to be realized.

A tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits. The amount recognized is measured as the largest amount of tax benefit that is greater than 50% likely of being recognized upon its effective resolution.

Revenue Recognition—The Company’s revenues result from the sale of goods and reflect the consideration to which the Company expects to be entitled. The Company records revenue based on a five-step model in accordance with ASC Topic 606, *Revenue from Contracts with Customers*. For its contracts with customers, the Company identifies the performance obligations (goods), determines the transaction price, allocates the contract transaction price to the performance obligations, and recognizes the revenue when the performance obligation is transferred to the customer. A good is transferred when the customer obtains control of that good. All of the Company’s revenues are recorded at a point in time from the sale of tangible products.

Each customer contract for goods transferred generally has a single performance obligation for which revenue is recognized at a point in time.

Each customer purchase order sets forth the transaction price for the products and services purchased under that arrangement. Some customer arrangements may include variable consideration, such as customer volume rebates, product returns, discounts and allowances. These are variable considerations and are recorded as a reduction of revenue in the same period the related sales are recorded. The Company exercises judgment to estimate the most likely amount of variable consideration at each reporting date.

Revenue is measured as the amount of consideration expected to be received in exchange for the transfer of goods or services to customers. Revenue is derived from product sales and is reported net of sales discounts, rebates, incentives, returns and other allowances offered to customers, if applicable.

Amounts billed to customers for shipping and handling activities to fulfill the Company’s promise to transfer the goods are included in revenues and costs incurred by the Company for the delivery of goods are included in cost of sales in the consolidated statement of operations.

Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (“ASU 2016-13”). This ASU requires an entity to measure all expected credit losses for financial assets, including trade receivables, held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Entities will now incorporate forward-looking information based on expected losses to estimate credit losses. The Company adopted this guidance in 2023 with immaterial impact to our consolidated financial statements as forecasted information surrounding our Trade Receivables does not provide better information or insight as to its collectability than historical and current information.

In December 2022, the FASB issued ASU No. 2022-06, *Reference Rate Reform (Topic 848)* which amends the previous FASB guidance, ASU 2020-04, *Reference Rate Reform (ASC 848)*, providing temporary relief during the transition period of when the London Interbank Offered Rate (LIBOR) would cease to be published. The impact of this guidance to our consolidated financial statements was not material as the Company’s LIBOR referenced rate term loan and revolving credit agreement were repaid in full on March 31, 2023; the Company’s new credit agreement utilizes SOFR rates.

Recently Issued Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, *Income Taxes – Improvements to Income Tax Disclosures*. This guidance modifies the disclosure requirements surrounding income taxes, indicating existing income tax disclosures should be enhanced to provide information to better assess how an entity’s operations and related tax risks and tax planning and operational

opportunities affect its tax rate and prospects for future cash flows. The guidance is effective for the Company for the fiscal year beginning after December 15, 2025.

In March 2024, the FASB issued ASU 2024-01, *Scope Application of Profits Interest and Similar Awards*. This guidance provides clearer examples of when a company should apply ASC 710 verse ASC 718 when accounting for profits interest and similar awards. The guidance is effective for the Company for the fiscal year beginning after December 15, 2025.

5. INVENTORIES

Inventories as of December 31, 2024 and 2023 consist of the following:

<i>(\$ in thousands)</i>	2024	2023
Inventories:		
Finished goods	\$ 62,827	\$ 73,021
Work in process	21,652	19,715
Raw material and supplies	<u>27,896</u>	<u>27,094</u>
	<u>\$ 112,375</u>	<u>\$ 119,830</u>

During 2024, the company conducted a SKU profitability study to better understand MW customer purchasing frequency and volume. After reviewing the results of the study, MW modified the estimate for the Company's inventory reserve. The change in estimate associated with the reserve during 2024 reduced the carrying value of inventory by \$11,448 and is reflected in Other cost of sales in the current year Consolidated Statements of Operations.

6. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment as of December 31, 2024 and 2023 is summarized as follows:

<i>(\$ in thousands)</i>	2024	2023
Property, plant, and equipment:		
Machinery and equipment	\$ 127,122	\$ 112,885
Buildings and building improvements	21,142	11,405
Land	320	743
Computer equipment, furniture and fixtures	20,935	14,666
Construction in process	7,982	10,805
Vehicles	<u>1,805</u>	<u>1,872</u>
Total property, plant, and equipment	179,306	152,376
Less accumulated depreciation	<u>(72,234)</u>	<u>(58,487)</u>
Total property, plant, and equipment—net	<u>\$ 107,072</u>	<u>\$ 93,889</u>

Depreciation expense related to property, plant, and equipment for the years ended December 31, 2024 and 2023 was \$15,308 and \$11,401, respectively. Depreciation associated with manufacturing assets and operations is included in depreciation within the consolidated statements of operations. Depreciation associated with computer and office equipment is recorded within depreciation and amortization within the consolidated statements of operations.

7. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill—Acquisitions are accounted for using the acquisition method. Changes in the carrying amount of goodwill are as follows:

(\$ in thousands)

	<u>2024</u>	<u>2023</u>
Gross Carrying Amount - January 1	581,373	551,175
Additions	64	30,198
Balance at December 31	\$ 581,437	\$ 581,373
Gross accumulated amortization - Janu.	(307,266)	(250,164)
Amortization expense	(58,149)	(57,102)
Total Amortization	(365,415)	(307,266)
Net book value at December 31	<u>\$ 216,022</u>	<u>\$ 274,107</u>

The goodwill balance reflects both deductible and non-deductible goodwill. Approximately \$131,004 and \$159,687 of deductible goodwill remains for tax purposes as of December 31, 2024 and 2023, respectively.

Intangible Assets—The changes in the carrying value of intangible assets (tradenames) are as follows:

(\$ in thousands)

	<u>Indefinite</u>	<u>Definite</u>	<u>Total</u>
Gross Carrying Value—December 31, 2022	\$ 53,766	\$ -	\$ 53,766
Trademarks acquired	-	4,350	4,350
Accumulated Amortization	-	(150)	(150)
Net Carrying Value—December 31, 2023	\$ 53,766	\$ 4,200	\$ 57,966
Accumulated Amortization	-	(600)	(600)
Net Carrying Value—December 31, 2024	<u>\$ 53,766</u>	<u>\$ 3,600</u>	<u>\$ 57,366</u>

Amortization expense related to definite lived intangibles assets, other than goodwill, for the years ended December 31, 2024 and 2023 was \$600 and \$150, respectively.

Future Amortization	Goodwill	Definite Lived Assets
<i>(\$ in thousands)</i>		
2025	\$ 58,144	600
2026	58,144	600
2027	46,682	600
2028	15,170	544
2029	12,069	374
Thereafter	<u>\$ 25,813</u>	<u>\$ 882</u>
Total	<u>\$ 216,022</u>	<u>\$ 3,600</u>

8. FINANCING

Long-term debt of the Company at December 31, 2024 and 2023 consisted of the following:

<i>(\$ in thousands)</i>	2024	2023
Term loan	638,489	638,489
Revolver	55,000	-
Subordinated debt	2,480	2,391
Deferred financing costs, net	<u>(16,135)</u>	<u>(19,209)</u>
	679,834	621,671
Less: current portion of long-term debt	<u>(572)</u>	<u>(336)</u>
	<u>\$ 679,262</u>	<u>\$ 621,335</u>

Credit Agreement

On September 29, 2017, the Company entered into a credit agreement with a group of financial institutions. The credit agreement provides up to \$595,000 in total borrowing capacity, consisting of a up to \$70,000 of borrowings on a revolving credit facility, a \$385,000 first lien term loan (term loan "A"), a \$120,000 second lien term loan (term loan "B"), and up to \$20,000 of letter of credit commitment capacity. The Company incurred \$18,063 in capitalizable debt issuance costs in conjunction with this financing.

During 2018 and 2019, the Company entered into incremental first lien term loan agreements for additional borrowings of \$105,000 and \$50,000, respectively.

On March 26, 2021, the Company borrowed \$13,000 on the revolving credit facility to fund the acquisition of Duer Carolina Coil, Inc.

On October 29, 2021, the Company borrowed \$32,000 on the revolving credit facility to fund the acquisition of Fox Valley Spring, LLC.

On December 10, 2021, in conjunction with the acquisition of Ideal Fasteners, Inc., the Company entered into a first lien term loan agreement (term loan "C") for an additional borrowing of \$95,000 and incurred \$2,639 in capitalizable debt issuance costs. The Company used \$32,000 to repay the borrowing on revolver used for the acquisition of Fox Valley Spring, LLC.

The Company could elect to borrow in the form of alternate base rate advances, LIBOR advances, or SOFR advances as defined by the credit agreements. Interest on LIBOR and SOFR rate loans is payable on the last day of the term, provided it does not exceed three months. Interest on alternate base rate loans is payable on the last day of the calendar quarter. As of December 31, 2023, all borrowings consisted of SOFR and LIBOR rate loans, respectively. The Company was required to make quarterly interest payments up to a rate of 0.5% per annum on the unused portion of the current and former revolving credit facility.

On March 31, 2023, the Company entered into a new credit agreement including one term loan of \$675,000,000 aggregate principle, and a line of credit with a \$150,000,000 borrowing capacity. Funds received from this new credit agreement, including \$80,000 initially borrowed under the revolver, were used to pay off the Company's previous revolver and term loans "A", "B", and "C".

The principal and accrued interest on term loan A were repaid in full as of March 31, 2023 using funds from the new credit agreement with a different lender. Prior to repayment, the balance on term loan "A" was \$505,041. The interest rate on the first lien term loan A was 7.42% (3.67% LIBOR rate plus 3.75% margin rate) as of the year ended December 31, 2022. Interest expense related to this loan for the year ending December 31, 2023 was \$11,227.

The principal and accrued interest on this term loan B were repaid in full as of March 31, 2023 using funds from the new credit agreement with a different lender. The interest rate was 11.67% (3.67% LIBOR rate plus 8.00% margin rate) as of the year ended December 31, 2022. Interest expense related to this loan for the year ending December 31, 2023 was \$3,861.

The remaining balance and accrued interest on term loan C were repaid in full as of March 31, 2023 using funds from the new credit agreement with a different lender. The interest rate was 7.92% (3.67% LIBOR rate plus 4.25% margin rate) as of the year ended December 31, 2022. Interest expense related to this loan for the years ending December 31, 2023 was \$2,129.

On March 31, 2023, the Company repaid \$14,000 for all outstanding draws from its previous revolving credit facility. The interest rate on the old revolving credit facility was 9.75% (7.50% LIBOR rate plus 2.25% margin rate) during 2023 prior to the repayment. Interest expense related to the old revolver at December 31, 2023 was \$395.

As of December 31, 2024 and 2023, the Company has \$55,000 and \$0, respectively, outstanding borrowings on the revolving credit facility. The borrowing capacity under the revolving credit facility is \$125,000 after a reduction in borrowing capacity due to the disposition of the life science entities in 2023. Capacity on the revolver was \$66,100 as of December 31, 2024 after reflecting \$55,000 outstanding and \$3,900 of outstanding letters of credit. The interest rate on the new revolving credit facility was 8.44% (4.34% SOFR rate plus 4.1% margin rate) and 8.99% (4.99% SOFR rate plus 4.00% margin rate) as of December 31, 2024 and 2023, respectively. Associated interest expense for the years ended December 31, 2024 and 2023 was \$3,554 and \$6,394.

As of December 31, 2024 and 2023, the balance on the new term loan was \$638,489. The loan is scheduled to be paid via quarterly principal payments of \$1,687 with final payment due on March 31, 2030. In December 2023, the Company prepaid \$34,823 of the principal balance owed using funds received from the disposition of the life science entities, as referenced in Note 3. This excess cash flow prepayment (as defined in the credit agreement) eliminated the monthly principal installments owed until December 31, 2029. The interest rate on the new term loan was 11.46% (4.46% SOFR rate plus 7% margin rate) and 12% (5% SOFR rate plus 7% margin rate) as of December 31, 2024 and 2023, respectively. Interest expenses for the years ended December 31, 2024 and 2023 was \$80,216 and \$62,524, respectively.

Financing costs related to outstanding loans are capitalized and reflected as a reduction to the long-term debt on the consolidated balance sheets. Amortization of these deferred financing costs is recognized as interest expense in the consolidated statement of operations over the outstanding loan periods based on the straight-line interest method, which approximates the effective interest method. In conjunction with the repayments of the previous loans and revolver, the Company wrote off \$7,279 of remaining deferred financing costs; this is reflected in Interest Expense as of December 31, 2023. For the years ended December 31, 2024 and 2023, deferred financing costs associated with the term loan were \$16,136 and \$19,209, respectively. These balances are reflected within Long Term Debt on the consolidated balance sheet. Deferred financing costs associated with the revolving credit facility were \$2,290 and \$2,995 for the years ended December 31, 2024 and 2023, respectively. These balances are reflected within other assets on the consolidated balance sheet. Amortization of deferred financing costs for the years ended December 31, 2024 and 2023 were \$3,778 and \$3,538, respectively.

The loans are collateralized by substantially all the assets of the Company.

Debt Covenants - The Company's borrowing under the new credit agreement contain certain financial covenants, including Total Net Leverage Ratio. As of December 31, 2024 and 2023, the Company was in compliance with all financial covenants.

Subordinated Debt - On June 16, 2020, the Company received a loan from the state of Connecticut in the amount of \$784 to support economic growth in the state. An additional amount of \$1,591 was received on May 28, 2021. Repayment of this loan began in July 2023, with monthly principal payments totaling \$164 as of December 31, 2023. The total balance of is due by June 16, 2030 and the interest rate as of December 31, 2024 and 2023 was 3.25%. The principal

balance remaining on this loan was \$2,055 and \$2,211 as of December 31, 2024 and 2023 respectively. Interest expense for the year ended December 31, 2024 and 2023 was \$73 and \$251, respectively.

Maturities of long-term debt as of December 31, 2024 are as follows:

<u>Years Ending December 31,</u>	
2025	\$ 572
2026	558
2027	370
2028	382
2029	1,009
Thereafter	<u>693,078</u>
Total	<u>\$ 695,969</u>

9. EQUITY COMPENSATION

The Company's parent entity has an equity compensation plan that provides equity options to officers, key employees, and key non-employees of the Company to assist the Company in attracting and retaining employees of outstanding ability and to promote the alignment of their interests with the parent entity to drive growth and profitability. The equity compensation plan permits the grant of incentive and non-qualified stock options to purchase equity within the parent entity. While the options are redeemable for equity in the parent, these transactions have been accounted for as if the options were redeemable for the Company's stock because the issuance of the options is considered a capital contribution to the Company and any par value on the issuance of shares would not be significant.

The options are separated into four tranches. The first tranche vests and becomes exercisable ratably over five years from the date of grant or immediately upon a change of control event. The remaining tranches are exercisable based on a change of control and performance-related events.

The Company recognized stock compensation expense of \$1,335 and \$2,253 related to outstanding options with time-based vesting for the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023, the Company has recorded a note receivable from its parent company for \$3,100 resulting from certain equity repurchases paid by the Company. During 2023, the Company repurchased \$1,249 of vested options. These transactions are recorded within stockholder's equity on the consolidated balance sheets.

10. EMPLOYEE BENEFIT PLANS

Retirement Savings Plan—MW Industries, Inc. ("MWI"), a wholly owned subsidiary of the Company's Parent, has a Consolidated Employer Retirement Savings Plan (the "Consolidated Plan") under Section 401(k) of the Internal Revenue Code. All employees that have reached the age of eighteen and completed one month of service are eligible to participate in the Consolidated Plan on the first day of the following month.

Employees may elect to enter into a written salary deferral agreement under which a maximum of 75% of their salary, subject to aggregate limits required under the Internal Revenue Code, may be contributed to the Consolidated Plan. Some or all an employee's contributions may be designated as a Roth Deferral Contribution.

All employer matching contributions and retirement contributions are made on a discretionary basis, subject to annual review and adjustment by management of the Company.

For the years ended December 31, 2024 and 2023, the Company contributed \$5,344 and \$5,144, respectively, to the Consolidated Plan.

Other Postretirement Benefits—Steelworkers Pension Trust is a multiemployer defined benefit plan. The plan sponsor’s Employer Identification Number is 23-6648508, and the Plan Number is 499. A unique characteristic of a multiemployer plan compared to a single employer plan is that all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers.

Approximately 7% of the Company’s employees participate in the Steelworkers Pension Trust through an agreement with the United Steelworkers, which expires on October 1, 2026. The Company’s contributions were less than 4% of the total contributions to the plan by all participating employers.

For the years ended December 31, 2024 and 2023, the Company contributed approximately \$210 and \$197, respectively, to the Steelworkers Pension Trust.

11. INCOME TAXES

The components of the Company’s income tax expense for the years ending December 31, 2024 and December 31, 2023 consist of the following:

(\$ in thousands)

	<u>2024</u>	<u>2023</u>
Current Tax Expense		
U.S. Federal	4,630	5,495
U.S. State and Local	(582)	(447)
Total Current Tax Expense	<u>4,048</u>	<u>5,048</u>
Deferred Tax Benefit		
U.S. Federal	(2,646)	(5,220)
U.S. State and Local	(310)	612
Total Deferred Tax Benefit	<u>(2,956)</u>	<u>(4,608)</u>
Total Income Tax Expense	<u>1,092</u>	<u>440</u>

Deferred tax assets (liabilities) at December 31 are comprised as follows:

<i>\$ in thousands</i>	<u>2024</u>	<u>2023</u>
Deferred Tax Assets:		
Lease Liability	34,757	30,578
Interest limitation carryforward	38,045	25,052
Capitalized R&D Expenditures	10,603	10,975
Inventory	9,504	5,749
Net operating loss and tax credit carryforwards	2,272	3,753
Stock Compensation	593	609
Accrued Expenses and Reserves	<u>938</u>	<u>1,416</u>
Total Gross Deferred Tax Assets before Valuation		
Allowances	96,712	78,132
Valuation Allowance	<u>(42,745)</u>	<u>(30,069)</u>
Total Gross Deferred Tax Assets after Valuation		
Allowances	53,967	48,063
Deferred Tax Liabilities:		
Right of Use Asset	(34,336)	(31,676)
Fixed and Intangible Assets	(19,918)	(18,805)
Other	<u>(998)</u>	<u>(1,823)</u>
Total Gross Deferred Tax Liabilities	(55,252)	(52,304)
Total Gross Deferred Tax Asset/(Liability)	<u>(1,285)</u>	<u>(4,241)</u>

The difference between the Company's effective tax rate and the enacted federal statutory tax rate is primarily the result of the nondeductible amortization, state taxes and changes in the valuation allowances.

The Company has federal net operating loss carryforwards as of December 31, 2024 and 2023 of \$0 and \$6,321 (\$0 and \$1,327 of deferred tax assets), respectfully. The Company has state tax net operating loss carryforwards of \$58,099 and \$46,893 (\$2,089 and \$2,229 of deferred tax assets), respectively, and state tax credits of \$181 and \$197, respectively. The state net operating losses begin to expire in 2024 and the state tax credits begin to expire in 2025.

The Company has evaluated its deferred tax assets for realization and has established a valuation allowance against certain federal and state deferred tax assets as of December 31, 2024 and 2023 of \$42,745 and \$30,069, respectively. Realization of deferred tax assets is dependent upon generating sufficient taxable income prior to their expiration. The Company believes that it is more likely than not that the benefit from these deferred tax assets will not be fully realized, and as such has established a valuation allowance on certain federal and state deferred tax assets.

As of December 31, 2024, the Company was open to examination in the U.S. federal tax jurisdiction for the previous three years and open to examination in various state and local jurisdictions for the previous 3-4 years. There are no on-going federal or state examinations as of December 31, 2024.

It is the policy of the Company to recognize accrued interest and penalties related to unrecognized tax benefits in income tax expense. The Company has not recorded any unrecognized tax benefits and recognized no interest or penalties relating to tax matters for the year ended December 31, 2024.

12. RELATED PARTIES

Effective September 29, 2017, the Company entered into an agreement with American Securities for management consulting and financial advisory services to which the Company pays fees to stockholders and affiliates. Annual fees under the advisory service agreement amount to \$2,000, payable in equal quarterly installments plus incurred expenses. During the years ended December 31, 2024 and 2023, the Company incurred management fees of \$2,005 and \$2,000, respectively from American Securities. These fees were recorded on the consolidated statement of operations within management and other fees.

Effective October 6, 2020, the Company entered into a management service agreement with a related party under common control, ASP Navigate Holdings, Inc., a wholly owned subsidiary of the Company's parent, ASP MWI Holdings, LP. Per the management service agreements, the Company would provide certain services to ASP Navigate Holdings, Inc., and ASP Navigate Holdings, Inc. would provide certain services to the Company. The management service agreement ceased at the disposition of the life science entities in 2023. For the period from January 1, 2024 to December 31, 2024 and January 1, 2023 to December 31, 2023, the net fees charged to ASP Navigate Holdings, Inc. by the Company were \$0 and \$264, respectively, where recorded on the consolidated statements of operations within other selling, general and administrative expenses.

13. LEASE COMMITMENTS

The Company adopted ASC 842 on January 1, 2022 and elected the modified retrospective transition approach in which the new standard was applied to all leases existing at the date of adoption. As a result, for periods prior to 2022, leases continue to be presented based on prior guidance.

As part of the adoption, the Company elected the package of practical expedients provided under the guidance. The practical expedient package applies to leases commenced prior to the adoption of the new standard and permits companies not to reassess whether existing or expired contracts are or contain a lease, the lease classification and any initial direct costs for any existing leases. The Company has elected the short-term lease expedient. A short-term lease is a lease that, as of the commencement date, has a term of twelve months or less and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise. For such leases, the Company will not apply the recognition requirement of ASC 842 and instead will recognize the lease payments over the lease term. The Company elected the practical expedient to not separate lease and non-lease components. Accordingly, the Company accounted for existing operating leases as operating leases under the new standard, without reassessing (a) whether the contracts contain a lease under ASC 842, (b) whether classification of the operating leases would be different in accordance with ASC 842, or (c) whether any unamortized initial direct costs would have met the definition of initial direct costs in ASC 842 at lease commencement. The Company elected the hindsight practical expedient to determine the lease term and assessment of impairment of right-of-use ("ROU") assets for existing leases, noting no impairment was indicated.

The Company determines whether an arrangement is a lease at inception. ROU lease assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. ROU lease assets and liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term. When the implicit rate is not readily determinable, the Company uses 5-year risk free rate based on the information available at the lease commencement date in determining the present value of lease payments. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Amortization of the ROU lease assets is recognized in expense on a straight-line basis over the lease term.

Short-term leases are leases having a term of twelve months or less. The Company recognizes short-term leases on a straight-line basis and does not record a related lease asset or liability for such leases. The Company has variable payment operating leases based primarily on a rental payment tied to an inflation-based index in 2022. Finance lease ROU assets consist primarily of

equipment used in the manufacturing process with terms greater than twelve months to five years. Operating lease ROU assets consist of the following:

- Equipment used in the manufacturing process as well as office equipment with terms three years to five years; and
- Manufacturing plants and office facilities with terms of three years to 20 years.

The following table presents the lease related assets and liabilities recorded on the consolidated balance sheets as of December 31, 2024 and December 31, 2023, respectively.

<i>(\$ in thousands)</i>	Financial Statement Line Item	2024	2023
Assets			
Operating Leases assets	Operating Lease and Right of Use Asset-Net	\$ 139,434	\$ 126,937
Finance Lease Assets, net	Other Assets	526	191
		<u>\$ 139,960</u>	<u>\$ 127,128</u>
Liabilities			
Current Liabilities			
	Operating lease	\$ 9,061	\$ 9,059
	Finance lease	142	25
Long-Term Liabilities			
	Operating lease	132,557	113,766
	Finance lease	406	138
		<u>\$ 142,166</u>	<u>\$ 122,988</u>

The maturities of lease liabilities greater than twelve months as of December 31, 2024 are as follows:

	Operating Lease	Finance Lease
2025	\$ 14,363	\$ 168
2026	\$ 14,465	168
2027	\$ 14,102	154
2028	\$ 12,043	96
2029	\$ 11,462	3
Thereafter	\$ 127,479	-
	193,915	589
Less: Imputed Interest	52,296	41
Total Lease Liabilities	<u>\$ 141,618</u>	<u>\$ 548</u>

The weighted-average remaining lease term and weighted-average discount rate for operating and finance leases as of December 31, 2024 as follows:

	December 31, 2024	
	Operating leases	Finance Leases
Weighted-average remaining lease term	14.64	3.74
Weighted-average discount rate	4.02	4.22

Rental Expense under all operating leases of the Company for the years ended December 31, 2024 and 2023 was \$17,205 and \$10,070, respectively, and is recorded on the consolidated statement of operations within cost of sales and other selling, general and administrative expenses.

Cash paid for operating leases was \$11,728 and \$8,781 for the years ended December 31, 2024 and December 31, 2023, respectively.

14. RESTRUCTURING AND SEVERANCE

During the year ended December 31, 2023, the Company incurred restructuring costs to consolidate locations with similar products and processes. The Company incurred restructuring

costs to close our Mohawk facility and move their equipment to other facilities as well as severance expense associated with those employee separation costs. Additionally, the Company began the planning and design of consolidating several facilities into a single production site in Addison, IL. The planned consolidation move was for Q4 2024.

During the year ended December 31, 2024, the Company incurred restructuring costs in our continued efforts to consolidate locations with similar products and processes. We executed our largest consolidation in which we combined three locations in the greater Chicago area into the new facility in Addison, IL to house the production of all associated products and gain operational efficiencies. Additionally, we completed a smaller consolidation of one of our Ohio facilities and moved that production into its neighboring site.

The following table presents the restructuring and severance expense during the years ended December 31, 2024 and 2023:

<i>(\$ in thousands)</i>	Facility Closure/ Relocation Costs	Employee Separation Costs	Total
Accrual as of December 31, 2022	\$ 644	\$ 157	\$ 801
Restructuring expense	5,427	5,445	10,872
Cash payments	<u>(6,071)</u>	<u>(4,387)</u>	<u>(10,458)</u>
Accrual as of December 31, 2023	-	1,215	1,215
Restructuring expense	9,899	3,372	13,271
Cash payments	<u>(9,899)</u>	<u>(3,949)</u>	<u>(13,848)</u>
Accrual as of December 31, 2024	<u>\$ -</u>	<u>\$ 638</u>	<u>\$ 638</u>

Facility Closure and Relocation Costs are recorded on the consolidated statement of operations within Management and other fees. Employee Separation Costs are recorded on the consolidated statement of operations within Restructuring and severance expense.

As of December 31, 2024 and 2023, the Company has recorded an estimated liability of \$638 and \$1,215, respectively, related to severance payments that will be paid out within the next year within accrued liabilities on the consolidated balance sheet.

15. COMMITMENTS AND CONTINGENCIES

The Company is from time to time involved in various litigation or claims arising in the normal course of business. Management does not believe that the outcome of these proceedings will have a material adverse effect on the consolidated financial condition or results of operations of the Company.

16. SUBSEQUENT EVENTS

Management has evaluated all subsequent events and transactions through March 27, 2025, the date the consolidated financial statements were available to be issued, for possible adjustments to or disclosures in the consolidated financial statements; none were noted.