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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

3 March 2026

Rosebank Industries plc

Acquisition of MW Components and CPM and Capital Raise

Rosebank Industries plc ("Rosebank" or the "Company") is very pleased to announce that it has agreed to acquire both ASP MWI Holdings, Inc., together with its subsidiaries and operating under the "MW Components" brand ("MW Components") and ASP CPM Holdings Inc. ("CPM") (together, the "Transaction"), both US-based market-leading industrial businesses currently owned by funds managed by American Securities LLC ("American Securities"), for a total consideration of \$3.05 billion¹ (~£2.28 billion) on a debt and cash-free basis. The Transaction will be financed through a fully underwritten institutional capital raise of approximately £1.9 billion at an issue price of £3.30 per share and new debt facilities, with the combined financing sized to deliver opening leverage of approximately 2.75x EBITDA.

The Transaction represents the next major step in Rosebank's proven "Buy, Improve, Sell" strategy for creating shareholder value following Rosebank's successful acquisition of Electrical Components International ("ECI") completed in August 2025, and underscores management's commitment to creating shareholder value through transforming high-quality industrial businesses in the US and Europe. The Transaction has the following key highlights:

- Both businesses fit with Rosebank's tried and tested playbook and present significant opportunities for operational improvement and value creation:
 - MW Components is a leading US provider of highly engineered, bespoke fasteners, springs and precision metal components, with strong market positions. It generated revenues of \$500 million in the financial year ended 31 December 2025 with an Adjusted Operating Margin of 15%
 - CPM is an innovative leader in highly engineered processing equipment used in oilseed, animal feed production, renewable energy, plant-based foods and industrial materials, with

¹ Excludes additional earn-out subject to the achievement of certain FY26 performance targets

market leading brands and strong customer relationships with blue-chip clients. It generated pro forma revenues of \$713 million in the financial year ended 30 September 2025 with an Adjusted Operating Margin of 22%

- Rosebank is targeting 6–7 percentage points of operating margin improvement for each of MW Components and CPM through restructuring, simplification and operational initiatives
- In addition to these improvement initiatives, Rosebank intends to significantly improve MW Components' and CPM's cash generation, in part by reducing leverage to ~2.75x EBITDA, which will support significant investment into the two businesses
- MW Components and CPM (together, the “Target Entities” and each a “Target Entity”) will be acquired for cash for a combined enterprise value of approximately \$3.05 billion² on a debt and cash-free basis
- This reflects standalone enterprise values of approximately \$950 million for MW Components and approximately \$2.1 billion for CPM, implying acquisition multiples of approximately 10x and 12x 2025 EBITDA³ respectively
- The Transaction is being funded through a fully underwritten institutional capital raise of approximately £1.9 billion (~\$2.5 billion) at an issue price of £3.30 per share (the “Issue Price”), which comprises a placing to certain institutional investors in the UK and elsewhere outside the US (the “Placing”) and a private placement to a limited number of institutional investors in the US (the “US Private Placement” and together with the Placing, the “Institutional Capital Raise”), together with new debt facilities sized to deliver pro forma leverage of approximately 2.75x. Concurrently with, and separate to, the Institutional Capital Raise, there will be a retail offer for existing UK retail shareholders, who have not been invited to participate in the Institutional Capital Raise, and new UK retail investors via RetailBook (the “Retail Offer”)
- In addition, at the same time as the Institutional Capital Raise and the Retail Offer, the Rosebank Directors and certain senior Rosebank employees and associates, have agreed to subscribe for approximately £12.3 million, in aggregate, of new Ordinary Shares at the Issue Price (the “Connected Persons Subscription”) resulting in a cumulative investment to date of approximately £30.4 million since Rosebank's incorporation in 2024
- The disciplined execution of performance improvement initiatives, combined with strong cash flow generation, provides a clear path to doubling shareholders' investment within three to five years
- Completion of the Transaction is expected in the second quarter of 2026, subject to the satisfaction of certain conditions, including customary regulatory conditions as well as approval of Rosebank shareholders, which will be sought at a general meeting on 23 March 2026

² Excludes additional potential earn-out subject to the achievement of certain FY26 performance thresholds for CPM

³ Refers to adjusted earnings before interest, tax, depreciation and amortisation for MW Components' and CPM's latest financial year-end

- Rosebank intends to complete its move to the Main Market of the London Stock Exchange in Q2 2026 irrespective of whether or not the Transaction proceeds.

This Transaction represents a unique opportunity to simultaneously acquire two businesses that fit Rosebank’s playbook at an attractive price and builds on the successful acquisition of ECI in August 2025, which is exceeding expectations, with margin expansion and leverage reduction progressing ahead of plan.

Simon Peckham, Rosebank CEO, said: “*This transaction represents the next step of the Rosebank journey, which began with our successful acquisition of ECI. MW Components and CPM are high-quality businesses with much unrealised potential and we are confident that our proven approach will unlock substantial value for shareholders. We are grateful for the strong and continued support from our shareholders and look forward to delivering.*”

The preceding summary should be read in conjunction with the full text of the following announcement and its appendices.

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Barclays Bank PLC, Citigroup Global Markets Limited, Jefferies International Limited and Investec Bank plc (together, the “Joint Global Coordinators”) have been appointed as Joint Global Coordinators in respect of the Placing and Investec Bank plc is acting as the Company's Nominated Adviser.

The person responsible for arranging for the release of this announcement on behalf of Rosebank is Joff Crawford.

About Rosebank

Rosebank was established in 2024 to acquire businesses whose performance the Directors believe can be improved so as to create shareholder value. Rosebank's strategy is to acquire quality industrial or manufacturing businesses with strong fundamentals whose performance may be improved. Through investing in acquired businesses, changing management focus and delivering operational improvements, Rosebank seeks to increase and realise the value in such businesses, typically over a three-to-five-year investment horizon and to return the proceeds to shareholders.

About MW Components

MW Components, headquartered in Charlotte, North Carolina, is a manufacturer of highly engineered, bespoke fasteners, springs and precision metal components, wholly based in the United States. MW Components has evolved through significant organic growth and a prolific "buy-and-build" strategy, positioning itself as a leading manufacturer of specialty fasteners and springs in North America, serving over 14,000 OEMs, distributors and aftermarket customers through multiple channels across the aerospace, medical, electronics, energy, agriculture, construction and other diversified industrial sectors. MW Components houses over 24 industry-leading brands and manufactures products that are mission-critical but represent only a small portion of the overall finished product cost. The company operates 24 manufacturing facilities across the United States and employs more than 1,750 people.

About CPM

Founded in 1883, CPM has evolved from its origins as the California Pellet Mill into a diversified industrial business. Headquartered in Blaine, Minnesota, the company has become an innovative leader in the design and manufacture of highly engineered process equipment and automation systems. CPM serves a global customer base, operating through three core channels: Industrial (feed, nutrition for humans and animals; animal feed, oilseed preparation and biomass), Engineered (biofuel, renewable energy, oilseed processing, plant-based proteins, sustainable aviation fuel) and Process (recycling, rubber, compounding, aqua feed, build, sustainable packaging and materials). The company operates 35 facilities globally and maintains a commercial presence in more than 100 countries, with approximately 1,700 employees.

About American Securities

Founded in 1994, American Securities is a leading U.S. private equity firm that invests in North American companies, primarily in the industrial and B2B services sectors. With \$23 billion under management, American Securities partners with businesses generating \$200 million to \$2 billion in annual revenues. American Securities combines deep sector expertise, differentiated insights and proven internal capabilities to serve as transformational partners that drive growth and build enduring value. American Securities' investment philosophy emphasizes capital preservation through disciplined investing and hands-on engagement, paired with repeatable value creation processes and operational excellence. American Securities is based in New York with an office in Shanghai. For more information, please visit www.american-securities.com.

Rosebank Industries plc
Acquisition of MW Components and CPM and Capital Raise

1. Introduction

Rosebank has entered into two separate agreements with subsidiaries of funds managed by American Securities to acquire, indirectly through wholly-owned subsidiaries of Rosebank, MW Components and CPM (each a “Target Entity” and together the “Target Entities”), (together, the “Transaction”).

MW Components is a leading US manufacturer of highly engineered, bespoke fasteners, springs and precision metal components, operating across 24 facilities and serving blue-chip customers in industrial, aerospace, energy and electronics markets. The business generated revenues of \$500 million and Adjusted Operating Profit of \$77 million in the financial year to 31 December 2025, representing a 15% Adjusted Operating Profit margin.

CPM is an innovative leader in highly engineered processing equipment used in oilseed, animal feed production, renewable energy, plant-based foods and industrial materials. With a large installed base of more than 60,000 machines and a significant aftermarket business, CPM generated pro forma revenues of \$713 million and Adjusted Operating Profit of \$156 million in the financial year to 30 September 2025, representing an Adjusted Operating Margin of 22%.

The Target Entities will be acquired, for cash, for a combined enterprise value of approximately \$3.05 billion on a debt and cash-free basis, subject to customary adjustments. This reflects standalone enterprise values of approximately \$950 million for MW Components and approximately \$2.1 billion for CPM, implying acquisition multiples of approximately 10x and 12x 2025 EBITDA respectively.

The Transaction represents the next major step in Rosebank’s strategy of acquiring high-quality industrial businesses with clear performance improvement potential. Building on the management team’s proven track record at Melrose Industries PLC (“Melrose”), the Rosebank Board believes there is substantial opportunity to unlock value across both businesses through targeted operational, commercial and structural initiatives, which are currently constrained by high leverage. Rosebank has identified multiple levers to improve profitability at MW Components and CPM, including head office efficiencies, management focus, footprint rationalisation and improved utilisation of manufacturing facilities, which are expected to deliver 6–7 percentage points of operating margin improvement in each business and significantly enhance cashflow generation. With these improvements, alongside strengthened cash generation and disciplined capital allocation, the Board believes that shareholders will see doubling of shareholder value in these assets over the next 3-5 years.

Rosebank proposes to part finance the Transaction from the net proceeds of an issue of 575,757,575 New Ordinary Shares by way of (i) a firm placing to certain institutional investors in the United Kingdom and elsewhere outside the United States (the “Placing”) and (ii) a private placement by the Company to a limited number of institutional investors in the United States (the “US Private Placement” and together with

the Placing, the "Institutional Capital Raise"), in each case at a price of £3.30 per New Ordinary Share (the "Issue Price"), raising gross proceeds of approximately £1.9 billion (~\$2.5 billion). The balance of the consideration, together with refinancing of the existing debt of the Rosebank Group (as defined below) and/or the Target Entities (and/or their subsidiaries), will be funded through a partial drawdown pursuant to the Facilities Agreement.

Concurrently with and separate to the Institutional Capital Raise, there will be a retail offer of up to £20 million of new Ordinary Shares at the Issue Price for UK retail shareholders, who have not been invited to participate in the Institutional Capital Raise, and new UK retail investors through RetailBook's network of investment platforms, retail brokers and wealth managers (the "Retail Offer"). In addition, at the same time as the Institutional Capital Raise and the Retail Offer, the Rosebank Directors and certain senior Rosebank employees and associates, have each agreed to subscribe for New Ordinary Shares at the Issue Price (the "Connected Persons Subscription" and together with the Institutional Capital Raise and the Retail Offer, the "Capital Raise"). As a result, it is expected that the Rosebank Directors and certain senior Rosebank employees and associates will invest approximately £12.3 million in aggregate, equal to approximately 0.6% of the estimated aggregate gross proceeds of the Capital Raise resulting in a cumulative investment to date of approximately £30.4 million since Rosebank's incorporation in 2024.

The Connected Persons will not be participating in the Retail Offer and the Connected Persons Subscription is not part of the Institutional Capital Raise or the Retail Offer. The proceeds of the Retail Offer and the Connected Persons Subscription will be used as working capital for the Enlarged Group.

The Placing is to be conducted by way of an accelerated bookbuild process which will commence immediately following this announcement. A further announcement confirming the closing of the bookbuild and the number of New Ordinary Shares to be issued pursuant to the Institutional Capital Raise is expected to be made in due course.

The Capital Raise is not conditional upon Transaction Completion. In the unlikely event that the Capital Raise proceeds but Transaction Completion does not take place, the Rosebank Board would invest the net proceeds of the Institutional Capital Raise on a short-term basis while the Rosebank Board considers how best to return surplus capital to Rosebank's shareholders in a timely manner. Such return could carry fiscal costs for certain of Rosebank's shareholders, would have costs for Rosebank and would be subject to applicable securities laws.

The Rosebank Board has received financial advice in relation to the Transaction from Jefferies, Rothschild & Co, Investec, Citigroup and Barclays. In providing advice to the Rosebank Board, each of Jefferies, Rothschild & Co, Investec, Citigroup and Barclays has relied upon the commercial assessments of the Rosebank Board.

The Rosebank Board considers that the Transaction and the Capital Raise are in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommends that all Shareholders

vote in favour of the Resolutions, as the Directors and the Rosebank Co-Founders have undertaken to do, or procure to do, in respect of their own existing shareholdings, which comprise a total of 6,088,740 Existing Ordinary Shares, representing approximately 1.5% of the Existing Ordinary Shares.

2. Background to and Reasons for the Transaction

MW Components and CPM are two market-leading industrial businesses with attractive fundamentals but their performance has been constrained by high leverage and organisational complexity. The Rosebank Board believes that, through its proven "Buy, Improve, Sell" strategy and demonstrated track record and experience, Rosebank can improve MW Components' and CPM's operational and financial performance to deliver substantial value for its shareholders for the following reasons:

MW Components is a well-established industrial business with:

A. High-quality industrial base

- MW Components holds market-leading positions in US Specialty Cold-Headed Fasteners and North American Engineered Springs, operating in technically demanding niches where precision manufacturing and application expertise create high barriers to entry
- MW Components' products are mission-critical but represent only a small portion of the overall finished product cost
- The business benefits from deep, long-standing customer relationships across a blue-chip customer base, reflected in strong customer retention and entrenched positioning in mission-critical applications
- MW Components' extensive engineering and material science capabilities support rapid prototyping, complex customisation and accelerated speed-to-market, making it a trusted partner for customers

B. Attractive end-markets benefiting from strong tailwinds

- MW Components benefits from a diversified revenue base across attractive end-markets, such as Aerospace & Defence, Medical, Semiconductor, Power and Diversified Industrials, which are set to benefit from long-term industry tailwinds and market recovery

C. Expansive US footprint

- MW Components has an extensive US manufacturing footprint and is well-positioned to benefit from the accelerating reshoring of US manufacturing and increased supply chain localisation.

Rosebank has identified select opportunities to drive operational efficiency and margin enhancement at MW Components, including:

A. Head office and divisional efficiencies

- Rosebank has identified the potential for meaningful cost efficiencies by streamlining MW Components' headquarters and divisional structure

B. Optimise Addison facility

- The Addison facility is a new purpose-built state-of-the-art facility completed in 2025 that is currently operating at a small loss, but when normalised for certain items, performance is nearer to breakeven
- Rosebank has identified opportunities to improve its performance through a range of operational and commercial efficiency measures, such as clearing customer order backlogs, insourcing capabilities to de-bottleneck the supply chain and investing in new machinery

C. Footprint rationalisation

- Rosebank intends to streamline MW Components' 24-site manufacturing footprint in order to improve utilisation and optimise its geographic presence

D. Commercial reassessment of unprofitable contracts

- Rosebank intends to engage in a full review of MW Components' contracts
- MW Components will implement a more rigorous approach to requirements for new contracts, focusing on profitable growth

E. Scale aerospace exposure

- Rosebank intends to accelerate the shift in mix towards aerospace through targeted sales efforts and capability investment to capture higher margin work within this structurally attractive end-market

F. Reduce debt burden

- MW Components' existing debt burden currently limits the scope for restructuring and pursuing growth opportunities
- Rosebank intends to reduce MW Components' net debt to a ~2.75x Adjusted EBITDA target leverage ratio, based on proforma acquisition leverage, increasing balance sheet flexibility and enabling reinvestment

These strategic initiatives will allow MW Components to capitalise on both its high-quality industrial base and strong customer relationships, positioning it with strong underlying cash flows and a clear path to achieve targeted returns within Rosebank's usual timetable.

CPM is a scaled, mission-critical industrial platform:

A. Innovative leader in highly engineered processing equipment

- CPM is an innovative leader in highly engineered processing equipment used in oilseed, animal feed production, renewable energy, plant-based foods and industrial materials, holding market leading positions

- CPM has a global footprint and supplier network, providing a competitive advantage given its global customer base
- Highly synergistic business model offering equipment and aftermarket solutions to support customers end-to-end in converting organic inputs into feed, food and renewable energy

B. Attractive end-markets

- CPM benefits from structurally attractive end-markets, including animal feed, oilseed processing, food processing, plant-based proteins and biofuels

C. Large and highly scalable aftermarket business currently representing approximately 50% of revenue

- CPM generates high-margin, recurring aftermarket revenue, supported by strong visibility into replacement cycles across its 60,000+ installed bases and non-discretionary demand for proprietary parts, consumables and field services

Rosebank has identified key select opportunities to drive operational improvement at CPM:

A. Head office and divisional efficiencies

- Rosebank is assessing opportunities to streamline CPM's head office and shift to a two-division operating structure, targeting significant cost savings

B. Restructure Process Solutions division

- The Process Solutions division is a collection of 14 sites, many of which are non-core business operations which are deemed to be significantly underperforming
- Rosebank intends to sell or exit non-core operations that are contributing unacceptable levels of profitability

C. Footprint rationalisation

- CPM currently operates 35 sites, consisting of 26 manufacturing sites and 9 sales offices, and is in the process of closing 4 sites with plans for another 3 closures
- Rosebank believes that there is opportunity for further optimisation of CPM's global footprint, and will accelerate the site rationalisation process

D. Accelerate growth in Aftermarket mix

- Despite an installed base of over 60,000 machines, CPM is in the early stages of investing in its Aftermarket opportunity, achieving only 26% share on its own installed fleet
- Rosebank plans to operate its Aftermarket activities as a standalone division and to fast track a shift in mix, given Aftermarket generates higher gross margins

E. Reduce debt burden

- CPM's existing debt burden limits the current scope for restructuring and pursuing growth opportunities

- Rosebank intends to reduce CPM's net debt to a ~2.75x Adjusted EBITDA target leverage ratio, based on proforma acquisition leverage, allowing for more balance sheet flexibility and room to invest and grow

These strategic initiatives will allow CPM to capitalise on its strong market position, large installed base, and deep relationships with blue-chip customers, positioning it with strong underlying cash flows and a clear path to achieve targeted returns within Rosebank's usual timetable.

3. Market Overview

MW Components

Industry

Rosebank will operate MW Components as three standalone businesses – (i) Fasteners; (ii) Springs; and (iii) Precision Components – serving a broad set of end-markets including aerospace & defence, medical devices, semiconductors, energy, diversified industrials and advanced manufacturing. These markets are supported by long-term secular tailwinds such as increasing technical requirements, greater adoption of automation, reshoring of US manufacturing, and rising demand for engineered components with higher precision and reliability. These megatrends provide a favourable backdrop for MW Components' future growth.

Aerospace and Defence

All three divisions are expected to benefit from sustained growth in Aerospace and Defence.

Continued aircraft production ramp-up and sustained strength in defence spending is driving structural growth in demand for fasteners, springs and precision components that require high reliability, traceability and stringent certification requirements. In addition, OEMs are shifting towards higher-specification, higher-tolerance and more customised fasteners to improve performance, reduce weight and enhance safety. The global aerospace and defence fastener and springs markets are expected to grow at a 7.5% CAGR and a 6.1% CAGR respectively from 2025 to 2032.

Medical

Structural growth and heightened regulatory requirements in the medical device sector are increasing demand for specialised, high-performance custom parts across diagnostic equipment, implantable devices, tools, pumps and instruments.

Reshoring

The accelerated reshoring of US manufacturing is creating a significant tailwind across MW Components' platform. As OEMs rebalance global supply chains to reduce risk, shorten lead times and improve quality assurance, demand is shifting toward domestic suppliers with scale, expertise and diversified speciality.

CPM

Industry

Rosebank is assessing opportunities to streamline CPM's head office and shift to a two-division operating structure – (i) Equipment & Solutions; and (ii) Aftermarket – serving a wide array of end-markets including animal feed, oilseed processing, renewable energy, and food & protein.

Equipment & Solutions

Global population and income growth are increasing demand for poultry, pork and other livestock, which in turn is driving steady growth in animal feed and the pelleting equipment required to produce it.

In oilseed processing, global soybean crush volumes have grown steadily for over 40 years (5% long-term CAGR) supported by rising population, higher protein consumption, and expanding demand for vegetable oils across food, industrial and renewable fuel applications. Producers are under increasing pressure to achieve higher yields, improved efficiency, uptime and traceability, whilst meeting tighter sustainability requirements.

Demand for protein concentrates is expected to increase as consumers shift toward plant-based alternatives. This trend is contributing to a broader expansion in protein processing infrastructure and supporting investment in new extraction and refining assets.

Renewable energy represents a major structural growth driver for CPM's Equipment & Solutions business, underpinned by global investment in biofuel production. Tightening regulatory policy and carbon emission reduction initiatives are driving demand for renewable diesel and sustainable aviation fuel.

Aftermarket

CPM's Aftermarket business represents a structurally attractive and under-penetrated growth opportunity, supported by its more than 60,000 machines installed globally and the inherently non-discretionary nature of replacement parts and maintenance. Aftermarket demand is resilient and recurring: customers rely on proprietary, equipment-specific components to maintain uptime in mission-critical processes, providing visibility and stability across economic cycles.

4. Strategy of the Enlarged Group

Rosebank's strategy is to acquire high-quality industrial or manufacturing businesses with strong fundamentals whose performance may be improved. Through investing in acquired businesses, changing management focus and delivering operational improvements, Rosebank seeks to increase and realise the

value in such businesses typically over a three-to-five year investment horizon and to return the proceeds to shareholders.

Under Rosebank's ownership, each business will follow its own bespoke strategic plan setting out the key actions required to achieve its stated targets. ECI, MW Components and CPM each maintain extensive pipelines of potential bolt-on opportunities, and Rosebank will only pursue transactions that deliver positive multiple arbitrage and meaningful synergies, presenting opportunities for platform expansion and value creation.

Financial discipline remains central to the business model and Rosebank is committed to maintaining public-market appropriate leverage, targeting ~2.5x–3.0x EBITDA.

Rosebank intends to continue its "Buy, Improve, Sell" model and sees further significant opportunities to acquire industrial or manufacturing businesses whose full potential can be realised.

5. Key terms of the Transaction

On 3 March 2026, the Company entered into two separate, inter-conditional agreements (each, an "Acquisition Agreement" and, collectively, the "Acquisition Agreements"), each with subsidiaries of American Securities (such subsidiaries, the "MW Components Seller" and the "CPM Seller", respectively, and together, the "Sellers"), pursuant to which wholly-owned subsidiaries of the Company (the "Mosaic Bidco" and the "Ceres Bidco", respectively, each a "Buyer" and together, the "Buyers") have conditionally agreed to acquire all of the issued and outstanding shares of common stock of MW Components and CPM from the MW Components Seller and the CPM Seller respectively.

The Target Entities will be acquired, for cash, for a combined enterprise value of \$3.05 billion (~£2.28 billion) on a debt and cash-free basis, subject to customary adjustments, in addition to the Earn-Out Consideration (as defined below).

The consideration payable upon completion of both acquisitions of MW Components and CPM ("Transaction Completion") (the "Completion Consideration") under the Acquisition Agreements will be estimated and satisfied on Transaction Completion by Rosebank in cash. The Completion Consideration shall be subsequently adjusted based on completion accounts prepared as at the date of Transaction Completion, reflecting agreed principles and protections.

Transaction Completion is conditional on, *inter alia*, the approval of the Transaction Resolutions at the General Meeting, Admission occurring and certain regulatory conditions.

If all of the conditions to Transaction Completion are not satisfied by 3 December 2026 (the "Initial Longstop Date") or any fact occurs which prevents all of the conditions from being satisfied by that date, either the relevant Seller or the relevant Buyer may elect to terminate each of the Acquisition Agreements. However, if only certain conditions to Transaction Completion, including regulatory conditions and the passing of the

Transaction Resolutions at the General Meeting, are not satisfied, provided all the other conditions have been satisfied or validly waived, then the Initial Longstop Date will be automatically extended to 3 March 2027 (the "Extended Longstop Date" and together with the Initial Longstop Date, the "Longstop Date"). If the conditions to Transaction Completion, including regulatory conditions and the passing of the Transaction Resolutions at the General Meeting, are not satisfied by the Extended Longstop Date or any fact occurs which prevents the conditions from being satisfied by that date, either the relevant Seller or the relevant Buyer may elect to terminate each of the Acquisition Agreements.

The Acquisition Agreements

Key terms of the Acquisition Agreements include the following:

Consideration

The Completion Consideration payable by the Buyers to the Sellers, in aggregate, is approximately \$3.05 billion, subject to certain adjustments, based on completion accounts prepared as at Transaction Completion.

As part of the consideration payable for the Transaction, the Sellers may become entitled to an additional earn-out payment (the "Earn-Out Consideration") of up to \$200 million, subject to CPM achieving certain financial performance targets. The earn-out is structured as a linear, performance-based arrangement linked to CPM's EBITDA achieved for the financial year ending 30 September 2026, with no earn-out consideration payable below \$175 million of EBITDA, and the maximum earn-out payable achieved at \$192 million of EBITDA. In the event the Earn-Out Consideration becomes payable, it will be funded through the cash generation of the Enlarged Group.

The combined enterprise value disclosed in this announcement excludes the potential Earn-Out Consideration, which remains contingent upon the above performance condition in relation to CPM being satisfied. There is no guarantee that the Earn-Out Consideration will become payable.

Transaction Conditions

Transaction Completion is subject to several customary conditions precedent, including:

- certain antitrust and other regulatory clearances;
- the passing of the Transaction Resolutions at the General Meeting (or any adjournment thereof); and
- Admission becoming effective.

In addition, completion under each Acquisition Agreement is conditional upon completion under the other Acquisition Agreement having occurred or occurring contemporaneously, subject to limited exceptions. Rosebank has agreed to use reasonable best efforts to procure the satisfaction of the conditions to Transaction Completion.

Transaction Completion

It is intended that Transaction Completion will occur no later than eight business days after all conditions precedent (other than those which, by their nature, shall be satisfied at Transaction Completion) have been satisfied or (if applicable) waived.

Title to the shares in the respective Target Entities will pass from the Sellers to the Buyers, and the consideration payable by the Buyers upon Transaction Completion will pass to the Sellers, at Transaction Completion.

Pre-Transaction Completion Covenants

The Acquisition Agreements include customary conduct of business covenants undertaken by the Target Entities in respect of the period until Transaction Completion, including to conduct the business of the Target Entities in the ordinary course, and to obtain the consent of the relevant Buyer prior to taking certain actions.

Warranties and Limits of Liability

Pursuant to the Acquisition Agreements, the relevant Seller is providing a customary suite of fundamental, business and tax warranties to the relevant Buyer with respect to the business of the relevant Target Entity. However, other than in the event of fraud, the relevant Buyer will not be able to recover against the relevant Seller for any claims in respect of the warranties and will have limited recourse for certain other breaches of the Acquisition Agreements.

Termination

The Acquisition Agreements may be terminated prior to Transaction Completion in the following circumstances:

- the relevant Buyer and Seller may terminate each Acquisition Agreement by mutual written consent;
- by the relevant Buyer or Seller where:
 - any condition precedent remains outstanding and is not waived at the Longstop Date;
 - a final non-appealable governmental order prohibiting the Transaction Completion is in effect; and
 - approval of the Transaction Resolutions by Rosebank shareholders is not obtained prior to the date that is 14 days after the deadline specified in the Acquisition Agreements to hold the Rosebank general meeting has passed;
- by the relevant Buyer or Seller where the other breaches its representations, warranties, covenants or agreements in the relevant Acquisition Agreement, which breach would result in the failure to satisfy certain conditions, and where such breach is not cured within 30 business days (where capable of being cured).

6. Equity and Debt Financing

The Transaction will be funded through a combination of the Institutional Capital Raise and the New Debt Facilities, as further described below.

Institutional Capital Raise

The Institutional Capital Raise is expected to raise gross proceeds of approximately £1.9 billion (~\$2.5 billion) through a fully underwritten issue of 575,757,575 New Ordinary Shares at the Issue Price by way of:

- (i) the Placing on the terms and conditions set out in Appendix IV to this Announcement; and
- (ii) the US Private Placement conducted by Rosebank.

Retail Offer

Concurrently with and separate to the Institutional Capital Raise, the Retail Offer of up to £20 million of new Ordinary Shares (the "Retail Offer Shares") will be made available to retail shareholders, who have not been invited to participate in the Institutional Capital Raise, and new retail investors, in each case resident and physically present in the UK, through RetailBook's network of investment platforms, retail brokers and wealth managers, to provide existing shareholders and new retail investors with an opportunity to participate alongside the Institutional Capital Raise. Priority will be given to applications by existing retail shareholders. A separate announcement will be made shortly regarding the Retail Offer and its terms. The Retail Offer will not be part of the Institutional Capital Raise and is not underwritten.

Connected Persons Subscription

At the same time as the Institutional Capital Raise and the Retail Offer, the Connected Persons Shares will be issued at the Issue Price, with the proceeds for the Retail Offer and the Connected Persons Subscription to be used as working capital for the Enlarged Group. The Connected Persons will not be participating in the Retail Offer. The Connected Persons Subscription will not be part of the Institutional Capital Raise or the Retail Offer and is not underwritten.

New Debt Facilities

On 3 March 2026, Ceres Bidco and Mosaic Bidco entered into a debt commitment letter with certain of its relationship banks (the "Debt Commitment Documents") under which the relevant arranging and underwriting banks agreed to provide on a fully underwritten basis, a US dollar denominated term loan facility in an amount of \$900,000,000 (the "Facility A") and a multicurrency revolving facility in a base currency amount of \$1,000,000,000 (the "Facility B" and together with Facility A, the "New Debt Facilities"). Pursuant to the terms of the debt commitment letter, the New Debt Facilities will be made available under a senior term and revolving facilities agreement (the "Facilities Agreement") that will be executed after the

date of this announcement and will replace the debt commitment letter. The proceeds advanced under the Facility A shall be applied towards financing or refinancing the Completion Consideration and other amounts payable in connection with the Transaction, the refinancing of existing indebtedness of the Rosebank Group and/or the Target Entities and/or their subsidiaries and/or the payment of transaction costs and other fees, costs and/or expenses. The proceeds of the Facility B shall be applied towards refinancing of the indebtedness of the Rosebank Group, the payment of transaction costs and other fees, costs and/or expenses and financing the working capital requirements and/or general corporate purposes of the Rosebank Group. The interest cost of gross drawn down debt will be approximately 6.0%.

The New Debt Facilities shall be available for drawing for the purposes of financing the Transaction and certain Transaction related purposes on customary European certain funds conditionality

7. Use of Proceeds

If Transaction Completion occurs, the Transaction, related expenses and the refinancing of the existing debt of the Rosebank Group and/or the Target Entities (and/or their subsidiaries) will be partly funded by gross Institutional Capital Raise proceeds of approximately £1.9 billion (~\$2.5 billion).

The balance of the debt refinancing will be funded through a partial drawdown pursuant to the Facilities Agreement. The proceeds of the Retail Offer and the Connected Persons Subscription are intended to be used as working capital for the Enlarged Group.

Prior to Transaction Completion, and in line with the Company's treasury policy, the Rosebank Board intends to invest the net proceeds of the Institutional Capital Raise on a short-term basis in government securities and gilts, money market funds and/or cash on deposit.

8. Reverse takeover, Completion and Listing

The Transaction constitutes a reverse takeover for the purposes of Rule 14 of the AIM Rules for Companies (the "AIM Rules") and, accordingly, is conditional upon, among other things, the approval of Rosebank's shareholders. Rosebank's shareholders will also be asked to approve certain other resolutions and authorities in connection with the allotment of New Ordinary Shares to be issued in connection with the Capital Raise (together with the resolution to approve the Transaction, the "Transaction Resolutions") in addition to the renewal of certain standing authorities to allot shares and disapply pre-emption rights based on the issued share capital of the Company on Admission comprising the Existing Ordinary Shares and the New Ordinary Shares (the "Enlarged Share Capital"). Accordingly, the Rosebank General Meeting ("General Meeting") will be convened for 11:00 a.m. (London time) on 23 March 2026 at the offices of Investec Bank plc, 30 Gresham Street, London, EC2V 7QP.

Pursuant to Rule 14 of the AIM Rules, the Company's Existing Ordinary Shares will remain suspended from trading on AIM until the Admission Document is published, which is expected to be at or around 7.00 a.m. (London time) on or around 6 March 2026.

Admission of the New Ordinary Shares is expected to take place at 8.00 a.m. (London time) on 25 March 2026 (or such later date determined by the Company in consultation with the Joint Global Coordinators being no later than 16 April 2026) (the "Closing Date") and dealings in the New Ordinary Shares are expected to commence at that time.

Subject to the satisfaction or, where appropriate, waiver of the conditions to the Transaction, it is expected that Transaction Completion will occur in the second quarter of 2026.

Rosebank intends to complete the admission of its ordinary shares to the Equity Shares (Commercial Companies) (ESCC) category of the Official List and to trading on the Main Market for listed securities of the London Stock Exchange in Q2 2026, irrespective of whether or not the Transaction proceeds, subject to receipt of all necessary regulatory consents and the publication of an FCA approved prospectus. If Transaction Completion occurs before Rosebank's move to the Main Market, in accordance with AIM Rule 14, the admission of the Ordinary Shares will be cancelled and application will be made for readmission of the Enlarged Group to trading on AIM.

9. Information relating to MW Components and CPM

MW Components

MW Components has a long heritage within the precision manufacturing industry and has grown into a leading producer of highly engineered, bespoke fasteners, springs and precision metal components that support critical applications across many markets. It operates 24 manufacturing locations across the United States and employs more than 1,750 people. MW Components serves over 14,000 customers and benefits from deep, long standing customer relationships across a blue-chip customer base, reflected in strong customer retention and entrenched positioning in mission-critical applications.

CPM

CPM is an innovative leader in highly engineered processing equipment used in oilseed, animal feed production, renewable energy, plant-based foods and industrial materials. Its three business segments provide equipment and full lifecycle support for pelleting, extrusion, oilseed preparation, thermal processing, packaging and many adjacent applications.

10. Financial information relating to MW Components and CPM

The financial information set out in: (i) sections A and B to Appendix VI to this announcement has been extracted from the audited consolidated financial statements relating to each of the Target Groups for FY2023, FY2024 and FY2025, prepared in accordance with US GAAP; and (ii) section C to Appendix VI to this announcement has been adjusted based on certain alternative performance measures for the Target Groups for FY2023, FY2024 and FY2025.

11. Rosebank current trading and outlook

The Company notes that, at the time of this announcement, it has also published its financial results for the year ended 31 December 2025, which are available on its website at: <https://www.rosebankindustries.com>.

The Rosebank Board is excited about the opportunity presented by the Transaction, which offers a number of operational improvement possibilities and is expected to benefit from growth opportunities in key markets.

As announced by the Company on 20 January 2026, Liam Butterworth, former CEO of Dowlais Group plc, will be joining Rosebank as Chief Operating Officer and executive director of the Board shortly.

12. MW Components and CPM current trading and outlook

CPM reported positive trading for the first quarter of FY2026, being the three months ended 31 December 2025, with management indicating that pro forma revenue grew by approximately 10% year on year. Growth was primarily driven by a 16% year on year increase in Aftermarket revenue for the same period, particularly within Industrial Solutions, where management reports that previously launched growth initiatives are beginning to convert into revenues.

MW Components' net revenue for the final quarter of FY2025, being the three months ended 31 December 2025, increased 3.8% year on year. Net revenue growth was driven, in part, by pricing improvements and increased demand in aerospace and defence end-markets.

13. Dividend policy

Given that the ECI acquisition completed late in the 2025 financial year, a final dividend will not be paid in respect of the twelve-month period ended 31 December 2025. The Board has adopted a progressive dividend policy, targeting dividend cover of approximately three times adjusted diluted earnings per share. The Company expects to pay its first interim dividend following the announcement of its interim results in September this year.

Any dividends will be set at a level consistent with maintaining the Company's required cover ratios and ensuring that Rosebank retains the financial flexibility needed to execute its operational improvement plans and pursue value-accretive opportunities. In doing so, the Board aims to deliver sustainable and growing returns to shareholders as part of its broader strategy to create long-term value.

APPENDIX I

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Suspension of the Company's Existing Ordinary Shares from trading on AIM	16 February 2026
Announcement of the Transaction and Capital Raise	3 March 2026
Publication of the Admission Document (including Notice of General Meeting) and the Form of Proxy	6 March 2026
Existing Ordinary Shares recommence trading on AIM	6 March 2026
Latest time and date for receipt of Forms of Proxy and receipt of electronic proxy appointments	11.00 a.m. on 19 March 2026
General Meeting	11.00 a.m. on 23 March 2026
Admission and commencement of dealings in the New Ordinary Shares on AIM	8.00 a.m. on 25 March 2026
Expected date for CREST accounts to be credited (where applicable), in relation to the Capital Raise	25 March 2026
Despatch of definitive share certificates, in relation to the Capital Raise	by 13 April 2026
Transaction Completion, Readmission and commencement of dealings in the Enlarged Share Capital on AIM ⁴	Expected during Q2 2026

⁴ Readmission will not occur if the Company has completed its move to the Main Market of the London Stock Exchange prior to Transaction Completion

APPENDIX II

SOURCES AND BASES OF INFORMATION

Unless otherwise stated in this announcement:

1. Currency conversion is based on USD / GBP exchange rate of 1.3369.
2. Certain financial and statistical information contained in this announcement has been rounded to the nearest whole number or the nearest decimal place.
3. Unless otherwise specified, the financial information included in this announcement is presented in pound sterling, in respect of the Company and the Group, and US\$ in respect of the ECI Group (when referred to separately from the Group), including Energy Holdings and its subsidiaries, and the MW Components Group and the CPM Group.

APPENDIX III

RISK FACTORS

Any investment in the Company is subject to a number of risks. Accordingly, investors should consider carefully all of the information set out in this announcement and the risks attaching to an investment in the Company, including, in particular, the specific risks described below, before making any investment decision. The information below does not purport to be an exhaustive list and investors should consider carefully whether an investment in the Ordinary Shares is suitable for them in light of the information in this announcement and their personal circumstances. Before making any final decision, prospective investors in any doubt should consult with an independent adviser authorised under the FSMA (or the corresponding legislation in the jurisdiction in which a prospective investor is resident). If any of the following risks were to materialise, the Group's business, financial position, results and/or future operations may be materially adversely affected. The market value/price of the Ordinary Shares and the income from them may go up or down and an investor may lose all or part of their investment. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the performance and value of the Group. An investment in the Company is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may arise therefrom (which may be equal to the whole amount invested). There can be no certainty that the Group will be able to implement successfully the strategy set out in this announcement. No representation is or can be made as to the performance of the Group and there can be no assurance that the Group will achieve its objectives.

A. RISKS RELATING TO THE TRANSACTION

The Transaction is subject to a number of conditions which may not be satisfied or waived

Transaction Completion is subject to the satisfaction (or, where applicable, waiver) of a number of conditions contained in the Acquisition Agreements, including regulatory approvals, Admission occurring and the approval of the Transaction by Shareholders at the General Meeting. In addition, completion under each Acquisition Agreement is conditional upon completion under the other Acquisition Agreement having occurred or occurring contemporaneously, subject to limited exceptions.

There can be no assurance that the regulatory conditions will be satisfied, or that Shareholder approval will be forthcoming.

If all of the conditions to Transaction Completion are not satisfied by the Initial Longstop Date or any fact occurs which prevents all of the conditions from being satisfied by that date, either the relevant Seller or the relevant Buyer may elect to terminate each of the Acquisition Agreements. However, if only certain conditions to Transaction Completion, including regulatory conditions and the approval of the Transaction by Shareholders at the General Meeting, are not satisfied, provided all the other conditions have been satisfied or validly waived, then the Initial Longstop Date will be automatically extended to the Extended Longstop Date. If the conditions to Transaction Completion, including regulatory conditions and the approval of the Transaction by Shareholders at the General Meeting, are not satisfied by the Extended Longstop Date or any fact occurs which prevents the conditions from being satisfied by that date, either the relevant Seller or the relevant Buyer may elect to terminate each of the Acquisition Agreements and the Transaction will not complete.

If the Transaction does not complete, the benefits expected to result from the Transaction will not be achieved, the Company's reputation may be adversely impacted, and its ability to deliver value for Shareholders, or to implement the Group's strategy, may be prejudiced. The Company will also have incurred significant transaction costs in connection with the Transaction, the Capital Raise and the New Debt Facilities which cannot be recouped. Accordingly, the market price of the Ordinary Shares may be adversely affected.

Material facts or circumstances may not be revealed in the due diligence process

The Company has undertaken customary due diligence on MW Components and CPM to a level considered reasonable and appropriate by the Company. However, these efforts may not reveal all facts or circumstances that would have a material adverse effect upon the value of the investment. In undertaking due diligence, the Company has utilised its own resources and relied upon third parties to conduct certain aspects of the due diligence process.

Any due diligence process involves subjective analysis and there can be no assurance that due diligence will reveal all material issues related to MW Components and CPM or that previously undisclosed underperformance, liabilities or other adverse matters will not come to light or be identified following Transaction Completion. Any failure to reveal all material facts or circumstances relating to the Target Entities may have a material adverse effect on the business, financial condition, future results of operations and prospects of the Enlarged Group.

Limited recourse under the Acquisition Agreements

By virtue of the Transaction, the Group will be exposed to a variety of risks and potential liabilities associated with the Target Entities and their respective businesses, including without limitation:

- a deterioration in MW Components and/or CPM's results of operations;
- liabilities associated with ongoing litigation to which either MW Components or CPM is a party, or new claims to which they may become subject; and
- other liabilities associated with MW Components or CPM or their respective businesses that are not known to the Group.

Under the Acquisition Agreements, the Group is receiving a customary suite of representations and warranties from the Sellers. However, barring fraud, the Company will have no recourse to the Sellers for breach of representations and warranties and limited recourse for certain other breaches of the Acquisition Agreements.

The Enlarged Group may not realise the desired operational improvements following the Transaction or the benefits of the Transaction may fail to materialise or be lower than expected

The Directors are targeting operational improvements for the Enlarged Group following Transaction Completion. Achieving the expected improvements from the Transaction will depend partly on the rapid and efficient management and co-ordination of the activities of Rosebank, MW Components and CPM, which in the case of MW Components and CPM, are entities of significant size, complexity and with geographically dispersed operations.

There is a risk that the benefits of the Transaction anticipated by the Directors, such as achieving the targeted 6-7 percentage points of operating margin improvement across both Target Entities, respectively, fail to materialise, are materially lower than estimated, take longer or cost more to achieve, or that the Target Entities fail to perform as expected. Further, the Directors intend to streamline the Target Entities' operations through a programme of consolidation and rationalisation of certain facilities and sites, including the optimisation of processing sites, warehousing facilities and production lines, in order to reduce operating costs, eliminate inefficiencies and improve asset utilisation and logistics coverage. However, certain of the Target Entities' facilities operate under long-term contractual arrangements which may limit the Enlarged Group's ability to negotiate with counterparties. In addition, CPM' current business has underpenetrated the relevant market, presenting expansion opportunities for the Enlarged Group through consolidation, development and adoption of an aftermarket platform and global mapping of customers. However, CPM operates in highly competitive global and regional markets, competing with international, regional and local manufacturers and distributors. Furthermore, the markets in which CPM operates are highly competitive in terms of product quality, reliability, safety and customer service. Aggressive pricing and similar strategies pursued by competitors may further limit CPM's opportunities for aftermarket expansion. If the Enlarged Group is unable to realise the expected benefits, or if these benefits take longer to achieve or cost more than planned, this could have a significant impact on the profitability of the Enlarged Group going forward and a material adverse effect on the Enlarged Group's business, financial condition, prospects and/or results of its operations.

In addition, the cost of funding these operational improvements and other initiatives may exceed expectations, which may have a material adverse effect on the financial condition of the Enlarged Group.

B. RISKS RELATING TO THE GROUP'S BUSINESS

The Group's strategy and its ability to complete future acquisitions could lead to potential loss on investments

The Group's strategy and future success is dependent upon its continued ability to not only identify opportunities but also to execute successful acquisitions and/or investments. There can be no assurance that the Group will be able to conclude agreements with any target business and/or shareholders in the future and failure to do so could result in the loss of an investor's investment. In addition, the Group may not be able to raise the additional funds required to acquire any additional target business and fund its working capital requirements.

The Group's strategy therefore carries inherent risks and there can be no guarantee that any appreciation in the value of MW Components and CPM or any other business acquired in the future (each, an "**Acquired Business**") will occur or that the objectives of the Group will be achieved. For example (i) an Acquired Business may experience trading difficulties after acquisition by the Company or may not be able to improve its performance to the level the Board anticipated; (ii) the success of any acquisition may depend in part on the Group's ability to implement the necessary technological, strategic, operational and financial change programmes in order to transform the Acquired Business and improve its financial performance and any inability to do so could have a material adverse impact on the Group's performance and prospects; (iii) the successful realisation of value through the sale or otherwise of the whole or part of any Acquired Business will depend on a number of factors and there can be no guarantee that these factors will allow the Group to realise such value when the Directors consider it appropriate; or

(iv) the Group may not be able to achieve its intended valuation or exit route from an Acquired Business.

The Group is exposed to risks associated with concentration of investments

The Group will continue to focus on acquisitions of businesses operating in the industrial or manufacturing sectors, which means that it will be exposed to a particular business sector and possibly specific geographical locations. The intended strategy does not envisage a spread of businesses that may mitigate risk and as a result the Group will be exposed to industry fluctuations and trends in these sectors.

The Group could incur costs for future transactions that may ultimately be unsuccessful

There is a risk that the Group may incur substantial legal, financial, advisory and other expenses arising from unsuccessful transactions which may include public offer and transaction documentation, legal, accounting and other due diligence which could have a material adverse effect on the business, financial condition, results of operations and prospects of the Group.

The Group may face significant competition for future acquisition opportunities

There may be significant competition in some or all of the future acquisition opportunities that the Group may explore. Such competition may come, for example, from strategic buyers, sovereign wealth funds, special purpose acquisition companies and public and private investment funds, many of which are well established and have extensive experience in identifying and completing acquisitions. A number of these competitors may possess greater technical, financial, human and other resources than the Group. The Company cannot assure investors that it will be successful against such competition. Such competition may cause the Group to be unsuccessful in executing any future acquisitions or may result in a successful acquisition being made at a significantly higher price than would otherwise have been the case which could materially adversely impact the business, financial condition, results of operations and prospects of the Group.

The Group will be subject to risks related to acquisitions, disposals or other material transactions

In the ordinary course of business, the Company will engage in a continual review of opportunities to acquire new investments or to dispose of investments that are no longer consistent with the Group's strategy. Any such acquisition opportunity could be material to the Group. Such acquisitions and disposals or other transactions may have other transaction-specific risks associated with them, including risks related to the completion of the transaction and the assets being acquired. In relation to disposals, a transaction may be structured so that the Company receives the relevant consideration over a period of time rather than being paid all amounts due on completion. In such transactions, the Company will be subject to counterparty risk for so long as it is owed sums by the acquirer. In the event that a material adverse event occurs in relation to that counterparty which results in the Company not receiving funds owed to it when expected, or at all, the Group's result of operations may be adversely affected.

Historically, ECI has engaged in a number of acquisitions, and those acquisitions have contributed to its growth in sales and operating margins. However, ECI cannot provide assurance that it will continue to locate and secure acquisition candidates on terms and conditions that are acceptable

to it. If it is unable to identify attractive acquisition candidates, ECI's further growth in sales and operating margins could be impaired. Acquisitions by ECI involve numerous risks, including:

- the difficulty and expense that ECI incurs in connection with the acquisition, including those acquisitions that it pursues but does not ultimately consummate;
- the difficulty and expense incurred in the subsequent integration of the operations of an acquired company into ECI's operations;
- adverse accounting consequences of conforming the target's accounting policies to the Group's accounting policies;
- the difficulties and expense of developing, implementing and monitoring systems of internal controls at acquired companies, including disclosure controls and procedures and internal controls over financial reporting;
- the difficulty in operating acquired businesses;
- the diversion of management's attention from ECI's other business concerns;
- the potential loss of customers or key employees of acquired companies;
- the impact on the Group's financial condition due to the timing of the acquisition or the failure to meet operating expectations for the acquired business; and
- the assumption of unknown liabilities of the acquired company.

There is no assurance that any acquisition ECI has made or may make in the future will be successfully integrated into its ongoing operations or that it will achieve any expected cost savings from any acquisition. If the operations of an acquired business do not meet expectations, the Group's profitability and cash flows may be impaired, and it may be required to restructure the acquired business or write-off the value of some or all of the assets of the acquired business.

ECI could be impacted by the loss of a large customer

ECI has a number of large customers, and changes in the level of such customers' orders could have, and in the past had, a significant impact on its results of operations. If any such customer significantly delays, reduces, or cancels the level of business it does with ECI, there could be an adverse effect on its business, financial condition and operating results. Pricing and margin pressures exerted by any such customer could also adversely affect its operating results.

The impacts of inflationary pressures and market competition could adversely impact ECI's operating results

If the costs of goods continue to increase in line with recent years, the Group's suppliers may seek price increases. If ECI is unable to mitigate the impact of these matters through price increases, cost savings to offset cost increases, hedging arrangements, or other measures, its results of operations and financial condition could be adversely impacted. If its competitors maintain or substantially lower their prices, ECI may lose customers. Its profitability may be impacted by prices that do not offset the inflationary pressures, which may impact its margins. Even if ECI is able to raise the prices of its products, it may not be able to sustain such price

increases. Temporary or sustained price increases may also lead to a decrease in demand for the Group's products as competitors may not adjust their prices which could lead to a decline in sales volume and loss of market share.

C. RISKS RELATING TO MW COMPONENTS, CPM AND THE ENLARGED GROUP'S BUSINESS

References in this announcement to the "Enlarged Group" are to the Group following Transaction Completion and therefore incorporate MW Components and CPM. However, prior to Transaction Completion, and in the event that Transaction Completion does not occur, the risk factors below that are expressed to be applicable to the Enlarged Group will remain applicable to the Group (excluding MW Components and CPM) and in this context references to the "Enlarged Group" shall instead be deemed to be references to the Group. References to "MW Components" and "CPM" are risks that will not be applicable to the Group should Transaction Completion not occur.

US government trade actions could have a material adverse effect on the Enlarged Group's business

Recent changes in US trade policy have created ongoing uncertainties in international trade relations, and it is unclear what future actions governments will or will not take with respect to tariffs or other international trade agreements and policies. In particular, in April 2025, financial markets experienced turmoil and currency volatility due to the looming global trade war triggered by the imposition of tariffs and other trade barriers (and/or the threat thereof) by the United States and the subsequent introduction of reciprocal tariffs (and/or the threat thereof) by other countries, such as China, and by the European Union. Tariffs, trade wars and other changes in US trade policy have resulted in new trade agreements, such as the EU-US trade deal in July 2025, but have also triggered and could in the future trigger retaliatory actions by affected countries, with certain foreign governments having instituted or considering the imposition of retaliatory measures on certain US exports. In February 2026, the US Supreme Court struck down the Current US Administration's use of a broad national emergency rationale for the imposition of certain blanket tariffs on imports from its global trading partners. The Current US Administration subsequently announced replacement tariff measures and may seek to impose additional tariff actions in future (although the scope, duration and legal durability of such additional actions remain uncertain). It is unclear whether grounds exist for US importers to obtain tariff refunds in light of the US Supreme Court's February 2026 decision. It is also unclear what further action the Current US Administration or US Congress will take with respect to further proposals for increased tariffs, what the outcome of various lawsuits challenging tariffs will be, and how other countries will respond to changes in US trade policy. Ongoing or new trade wars or other governmental action related to tariffs or international trade agreements or policies could reduce demand for the Enlarged Group's products and services, increase the Enlarged Group's costs, reduce its profitability, adversely impact the Enlarged Group's supply chain or otherwise have a material adverse effect on the Enlarged Group's business and results of operations.

ECI has exposure to any tariff policies imposed on imports from Mexico into the US. MW Components and CPM also have certain exposure to tariff policies. Potential failure to mitigate the impact of any such tariffs could have an adverse effect on the business, financial condition and operating results of ECI, MW Components or CPM.

ECI is also exposed to any tariff policies imposed on imports from Canada and China (among other countries) into the US. In response to the 2018 China tariffs, ECI relocated production away from China (transferring approximately 36% of its China revenues to Mexico and the US). MW

Components and CPM also have exposure to tariff policies and international trade restrictions, although to varying degrees. MW Components, with operations primarily in the United States, has more limited exposure to cross-border tariffs compared to ECI, although it remains subject to tariffs on imported raw materials and components. CPM, due to its global footprint, also has tariff exposure and as such has developed and implemented a tariff mitigation strategy including pass-through of anticipated increased costs to its customers.

The Enlarged Group's business could be adversely impacted if a major fault occurs in a key product

The Enlarged Group's business involves providing customers with reliable products. If a product contains undetected defects when first introduced or when upgraded or enhanced, the Enlarged Group may fail to meet its customers' performance requirements or otherwise satisfy contract specifications. As a result, the Enlarged Group may lose customers and/or become liable to its customers for damages and this may, amongst other things, damage the Enlarged Group's reputation and financial condition. The Enlarged Group endeavours to negotiate limitations on its liability in its customer contracts where possible, however, defects in its solutions could result in the loss of a customer, a reduction in business from any particular customer, negative publicity, reduced prospects and/or a distraction to the management team. A successful claim by a customer to recover such losses may have a material adverse effect on the Enlarged Group's reputation, business, prospects, results of operation and financial condition. Any damage to reputation could have a material adverse effect on the Enlarged Group's business, financial condition, results of operations, future prospects and/or the price of the Ordinary Shares.

The Enlarged Group could be adversely impacted if the distribution of its products were affected by disruption to the global transport and logistics ecosystem

The Enlarged Group's international footprint includes manufacturing facilities and suppliers in North America, Europe, the Middle East, Latin America and Asia with major customers in a number of other international locations. As a result, the Enlarged Group has a globally distributed supply chain, which can be affected from time to time by macro events beyond its control, including the recent military confrontation between the United States and Israel on one hand and Iran on the other. Such macro events can adversely affect the cost and duration of transport and logistics for the Enlarged Group's products and key components.

The Enlarged Group could be adversely affected if it is unable to recover increases in input and operating costs from its customers or reduce or eliminate those costs

The Enlarged Group's input and operating costs, such as commodity, energy, labour and transportation costs, can be impacted by a variety of factors outside the Enlarged Group's control including, among others, changes in trade laws, tariffs, macroeconomic conditions and global political events. For example, ECI's products require copper and energy to manufacture, while MW Components and CPM rely on steel and other raw materials to manufacture their products. The availability and prices of such commodities and raw materials are volatile and to mitigate the impact from such volatility on its operating results, the Enlarged Group has implemented various hedging and mitigation policies. The Target Entities may also experience energy supply risks in future in certain geographies, which may increase their energy costs and reduce their ability to meet customer demand. Additionally, if recent dislocations in global supply chains persist or recur, ECI and the Target Entities' transportation costs may increase. The realisation of any of these risks could have a material adverse effect on the Enlarged Group's results of operations, business and financial condition.

Input and operating costs have risen sharply over the past few years, reflecting higher rates of inflation globally. The Enlarged Group continues both to work with customers to address material cost increases by way of pass-through and other measures and to take a range of measures to improve efficiency and to reduce its cost base generally. Any past success the Enlarged Group has had in recovering or reducing such cost increases can provide no assurance that further increases in such costs will not adversely impact the Enlarged Group's results of operations, business and financial condition in the future.

The Enlarged Group's business is exposed to cyclicity

ECI and the Target Entities are each exposed to cyclicity in their end-markets. ECI sells products to customers in cyclical industries (such as appliances, agriculture, advanced mobility, transportation, automation, construction, heating, ventilation and air conditioning industry (approximately 58% of ECI's 2025 revenues on an annualised basis)) that are subject to seasonality and cyclical factors such as interest rates, inflation, consumer spending, employment levels and other macroeconomic factors, over which ECI has no control. Such industries have experienced economic and industry downturns through reduced infrastructure spending, fleet replacement, automation activity and commodity prices, which has adversely affected their business, financial condition and operating results. The markets for ECI's products have softened in the past and may soften again.

MW Components manufactures components such as springs and fasteners, which have historically shown some cyclicity. Demand for manufacturing components is closely linked to broader economic conditions and industrial production levels. Fluctuations in the industrial production cycle may impact sales volumes and profitability. Although MW Components has a diversified customer base which may partly off-set the negative impact of industrial cyclicity, economic downturns or reduced customer spending may lead to decreased demand and underutilised capacity for MW Components' products. This would adversely affect MW Components' results of operations, financial condition and prospects.

Further, CPM manufactures process equipment for agricultural use therefore sales may be impacted by broad industrial cyclicity and conditions in the agricultural industry. Poor, severe or unusual weather conditions, including disruptions caused by climate change, particularly during the cultivation season, may impact sales volumes. Natural disasters such as floods, storms and droughts could have a detrimental impact on agricultural production, materially affecting CPM's sales volumes, business and financial condition. In addition, outbreaks of animal disease, such as avian influenza or swine fever, can significantly reduce livestock populations and suppress demand for animal feed, directly impacting CPM's sales volumes. The occurrence or spread of such diseases, whether regionally or globally, is largely outside of CPM's control and could have a material adverse effect on CPM's business, financial condition and prospects.

The Enlarged Group could be adversely affected by any disruption to its supply chain

The Enlarged Group relies on a global supply network for specialty steels, alloys and precision components. The Enlarged Group's success therefore depends on its continued ability to secure raw materials and components (including, but not limited to, copper and copper wiring for ECI, and steel and other specialty metals for the Target Entities) on commercially acceptable terms; however, this ability may be impacted by numerous factors, including global demand or other factors limiting the availability, cost or quality of supply, which would impact the Enlarged Group's performance. Suppliers are subject to operational risks, including, among other things, mechanical and IT system failure, work stoppages, increases in transportation costs and the

impact of global shortages and supply chain issues. In addition, ECI and the Target Entities may not be able to obtain raw materials and components from their current or alternative suppliers at reasonable prices in the future or may not be able to obtain these items on the scale and within the time frames it requires. The concentration of suppliers of raw materials (such as copper for ECI and steel and other specialty metals for the Target Entities) may also expose the Enlarged Group to market fluctuations in prices. Further, if ECI's and the Target Entities' suppliers are unable to meet their supply requirements, they could experience supply interruptions and/or cost increases. Such disruption could have an adverse effect on the ability of the Enlarged Group to manufacture its products and meet the contractual timescales required by end customers.

Further, although supply chains have broadly normalised, they remain exposed to geopolitical tensions, trade restrictions, transportation disruptions and renewed demand for key raw materials. The manufacture of ECI's and the Target Entities' products is dependent on the timely delivery of components by third parties. If ECI or the Target Entities encounter problems with their supply chain or lose key suppliers, their ability to meet customer expectations, manage inventory, complete sales and achieve operating efficiencies could be adversely affected. Given the lead time required to expand supply capacity, shortages or price volatility may arise, resulting in increased input costs or extended delivery times. If any of these events occur, the Enlarged Group could incur significantly higher costs and longer lead times to the dissatisfaction of its customers, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

The Enlarged Group could be adversely affected by failure to innovate and risk of technological change

To ensure their long-term success, the Enlarged Group's products need to remain relevant in regard to the markets in which they operate. It is therefore imperative that ECI and the Target Entities continue to innovate to produce products which adhere to the future requirements of their customers. If ECI and the Target Entities fail to meet the changing needs of their respective customers, there is a risk that the Enlarged Group's revenues will suffer as a result. Products and technologies used within ECI's and the Target Entities' current marketplace are constantly evolving and improving and ECI or the Target Entities may not possess the adequate technology or technical know-how to meet customer demand. Therefore, there is a risk that ECI's or either of the Target Entities' current product offering may become outdated or obsolete as improvements in products and technology are made.

Any failure of ECI or the Target Entities to ensure that their products and other technologies remain up to date with the latest technology may have a material adverse effect on the Enlarged Group's business, prospects, results of operation and financial condition. The Enlarged Group's success will depend, in part, on its ability to develop and adapt to any technological changes and industry trends.

Contravention of environmental, safety and other laws and regulations could have an adverse impact on the Enlarged Group

The Enlarged Group's operations, including its manufacturing facilities, are subject to environmental, safety and other laws, permits and regulations, including those governing the use of hazardous materials and the nature of the Enlarged Group's operations exposes it to the risk of liabilities or claims with respect to such matters. Any breach of such requirements could result in fines or other substantial costs and/or constrain the Enlarged Group's ability to operate its business, which could have a material adverse effect on its business, prospects, financial

condition and results of operations. In addition, irrespective of the adequacy of insurance cover, the Enlarged Group could experience disruption and claims related to incidents regardless of cause which could have a material adverse effect on the Enlarged Group's, business and financial condition. Similarly, many of the Enlarged Group's suppliers and customers are subject to similar laws and regulations. Contravention of these laws and regulations by any such parties, as well as the costs to be paid in order to comply with such laws and regulations, could also have an adverse impact on the Enlarged Group.

The Enlarged Group may be subject to potential legal proceedings and compliance risks

The Enlarged Group may be subject to a variety of risks in relation to potential legal proceedings, commercial disputes, legal compliance risks and environmental, health and safety compliance risks. ECI, MW Components and CPM, their representatives and the industries in which each operates are subject to continuing scrutiny by regulators, other governmental authorities and private sector entities or individuals in the US, the UK, the European Union and other jurisdictions, which may, in certain circumstances, lead to enforcement actions, adverse changes to their business practices, fines and penalties, required remedial actions such as contaminated site clean-up or other environmental claims, or the assertion of private litigation claims and damages that could be material. Additional legal proceedings and other contingencies are expected to arise from time to time. Moreover, the Enlarged Group sells products and services in growth markets where claims arising from alleged violations of law, product failures or other incidents involving its products and services are adjudicated within legal systems that are less developed and less reliable than those of the US or other more developed markets, and this can create additional uncertainty about the outcome of proceedings before courts or other governmental bodies in those markets.

Future performance within the Enlarged Group

If ECI, MW Components or CPM are unable to maintain or increase sales to existing and/or new customers, the business's results and cash flows may not be in line with the Group's expectations, which could adversely affect the Enlarged Group's business, financial condition, results of operations or future prospects. Furthermore, this could then lead to the write down of any goodwill which arises on the Transaction that, whilst not having any cash impact on the Enlarged Group, could have an adverse effect on the financial condition of the Enlarged Group and the price of the Ordinary Shares.

Reliance on expertise of Rosebank Co-Founders and loss of key management

The Enlarged Group will be highly dependent on the expertise and continued service of the Rosebank Co-Founders. However, the retention of their services cannot be guaranteed and their loss may have an adverse effect on the Enlarged Group's business. In addition, there is a risk that the Enlarged Group will not be able to retain current MW Components and CPM key executives, recruit executives of sufficient expertise or experience to maximise any opportunities that present themselves, or that recruiting and retaining those executives is more costly or takes longer than expected. The failure to attract or retain those individuals can result in loss of continuity and accumulated knowledge, disruption to business operations and inefficiency during transitional periods, which may adversely affect the Enlarged Group's financial condition, results of operations and future prospects.

The Enlarged Group's success depends upon the availability of skilled personnel and its ability to recruit and retain skilled personnel

The Enlarged Group's operations depend on the availability of skilled personnel, including engineers, machinists and other technically qualified employees required for the manufacture of its machinery, processing systems and precision steel components. Structural shortages of skilled labour in certain markets may increase wage and recruitment costs, reduce production efficiency and limit the Enlarged Group's ability to expand capacity. Sustained labour cost inflation or productivity constraints could adversely affect margins and operational performance. Further, the Enlarged Group's ability to successfully compete and execute its strategic decisions depends on its ability to attract, recruit, retain and incentivise highly skilled and qualified personnel with the requisite education, background, talent and industry experience, across all areas of its businesses. A shortage of key employees, whether as a result of availability, difficulty in recruiting, insufficient training or employee turnover, might delay or jeopardise the Enlarged Group's ability to implement its business strategy, which could adversely affect its financial condition, results of operations or future prospects.

Varying international business practices may adversely impact the Enlarged Group's business and reputation

The Enlarged Group currently purchases raw materials, components and finished products from various foreign suppliers. To the extent that any such foreign supplier utilises labour or other practices that vary from those commonly accepted in the United States and the UK, the Enlarged Group's business and reputation could be adversely affected by any resulting litigation, negative publicity, political pressure, or otherwise.

D. RISKS RELATING TO LEGAL, TAX AND REGULATORY MATTERS

References in this announcement to the "Enlarged Group" are to the Group following Transaction Completion and therefore incorporate MW Components and CPM. However, prior to Transaction Completion, and in the event that Transaction Completion does not occur, the risk factors below that are expressed to be applicable to the Enlarged Group will remain applicable to the Group (excluding MW Components and CPM) and in this context references to the "Enlarged Group" shall instead be deemed to be references to the Group. References to "MW Components" and "CPM" are risks that will not be applicable to the Group should Transaction Completion not occur.

The current regulatory environment in the United States may be impacted by future legislative developments

The Current US Administration's legislative agenda may include certain regulatory measures for the US financial services industry, changes to tax policies and the imposition of further tariffs and other trade restrictions. Any significant changes in, among other things, economic policy (including with respect to interest rates and foreign trade), the regulation of the asset management industry, tax law, immigration policy, environmental protection and/or climate change policies or regulations and/or government entitlement programmes could have a material adverse impact on the Enlarged Group's business. The US has recently proposed or recommended changes to existing tax laws that could significantly increase the Company's tax obligations and adversely affect its business, financial condition, and results of operations. More generally, legislative acts, rulemaking, adjudicatory or other activities including in particular by the US Congress, the US Securities and Exchange Commission, the US Federal Reserve Board, the Financial Industry Regulatory Authority, Inc. or other governmental, quasi-governmental or self-regulatory bodies,

agencies and regulatory organisations could make it more difficult (or less attractive) for the Enlarged Group to achieve its business objectives.

Jersey company law

The Company is incorporated and registered in Jersey. Accordingly, UK legislation regulating the operations of companies does not generally apply to the Company. In addition, the laws of Jersey apply with respect to the Company and these laws provide rights, obligations, mechanisms and procedures that do not apply to companies incorporated in the UK. The rights of Shareholders are governed by Jersey law and the Articles, and these rights differ in certain respects from the rights of shareholders in the UK and other jurisdictions.

The Companies Law is currently in the process of being amended pursuant to the Companies (Jersey) Amendment Law 2026, an amendment law which was approved and adopted by the States of Jersey on 21 January 2026 (the "**Amended Companies Law**"). The Amended Companies Law will come into force on the later of 1 June 2026 or 7 days after registration and, once in force, will modify various provisions of the Companies Law.

Tax status of the Enlarged Group

The Enlarged Group's effective tax rate may be affected by changes in, or the interpretation of, tax laws. The Enlarged Group's effective tax rate in any given financial year reflects a variety of factors that may not be present in the succeeding financial year or years. An increase in the Enlarged Group's effective tax rate in future periods could have a material adverse effect on the Enlarged Group's financial condition and results of operations.

Taxation of investors

Statements in this announcement in relation to taxation and concerning the taxation of investors in Ordinary Shares are based on current taxation law and practice which is subject to change. The attention of potential investors is drawn to Appendix VII (*UK, Jersey and US Tax Considerations*) of this announcement. The tax rules and their interpretation relating to an investment in the Company may change during its life. The levels of and relief from taxation may change. Any tax reliefs referred to in this announcement are those currently available and their application depends on the individual circumstances of investors. The information given in this announcement relates only to certain UK, Jersey and US tax matters and all investors should seek their own tax advice. Any change in the Company's tax status or the tax applicable to holding Ordinary Shares or in taxation legislation or its interpretation, could affect the value of the investments held by the Company, the Company's ability to provide returns to Shareholders or alter the post-tax returns to Shareholders. Statements in this announcement concerning the taxation of the Company and its investors are based upon current tax law and practice which is, in principle, subject to change. Investors should consult their own tax advisers about the tax consequences of an investment in the Ordinary Shares.

The Company may be a "passive foreign investment company" for the current taxable year and for one or more future taxable years, which may result in material adverse US federal income tax consequences for US investors

Generally, if for any taxable year 75% or more of the Company's gross income is passive income, or at least 50% of the Company's assets are held for the production of, or produce, passive income, the Company would be characterised as a passive foreign investment company ("**PFIC**"),

for US federal income tax purposes. If the Company is a PFIC for any taxable year, or portion thereof, that is included in the holding period of a US Holder (as defined below in Appendix VII (*UK, Jersey and US Tax Considerations*) of this announcement) of Ordinary Shares, such US Holder may be subject to certain adverse US federal income tax consequences and additional reporting requirements. The Company does not believe it is or will become a PFIC for the current or any future taxable year. However, such determination depends on the application of complex US federal income tax rules that are subject to differing interpretations and is a fact-intensive inquiry made annually after the close of each taxable year and depends, in part, upon the composition and value of the Company's income and assets, among other facts, including the timing of Transaction Completion. In particular, depending on when Transaction Completion occurs, it is possible that the Company will be a PFIC. Accordingly, there can be no assurance that the Company will not be treated as a PFIC for any taxable year or that the US Internal Revenue Service ("**IRS**") would not assert a contrary position or that such an assertion would not be sustained by a court. If the Company determines that it is a PFIC in a given year, the Company will use commercially reasonable endeavours to provide a PFIC annual information statement for such year to any shareholder or former shareholder who requests it to permit such requesting shareholder to make a "qualified electing fund" election, but there can be no assurance that the Company will timely provide such information. For a more detailed description of the possibility of whether the Company would qualify as a PFIC, and the consequences thereof, including the consequences to a shareholder of making a "qualified electing fund" election, see Appendix VII (*UK, Jersey and US Tax Considerations*) of this announcement. Each prospective US Holder of Ordinary Shares should consult its own tax advisers regarding the PFIC rules and the US federal income tax consequences of the purchase, ownership and disposition of such shares.

AIM shares and "Business Property Relief" from UK Inheritance Tax

The UK Government has announced that, from 6 April 2026, it will restrict the availability of "business property relief" from UK inheritance tax. Provided certain conditions are satisfied, "business property relief" is currently available against 100% of the value of certain "unquoted shares", that is, shares that are not listed on a recognised stock exchange (which includes shares admitted to trading on AIM provided such shares are not otherwise listed on a recognised stock exchange). The Finance (No.2) Bill 2024-2026 (the "**Finance Act**") provides that the rate of relief will be reduced from its current rate of 100% to a rate of 50% in all circumstances for such "unquoted shares". Assuming that the Finance Act will receive royal assent in its current form, the new rules apply for lifetime transfers made on or after 30 October 2024 to prevent forestalling.

The Enlarged Group will be exposed to risks in relation to compliance with regulatory obligations including anti-corruption and anti-bribery laws and regulations, export controls, etc.

Conducting business on an international basis will require the Enlarged Group to comply with the laws and regulations of various jurisdictions. In particular, the Enlarged Group's international operations will be subject to anti-corruption laws and regulations, such as the US Foreign Corrupt Practices Act of 1977 (the "**FCPA**") and the UK Bribery Act 2010 (the "**Bribery Act**"). The FCPA prohibits providing anything of value to foreign officials for the purposes of obtaining or retaining business or securing any improper business advantage. The Enlarged Group may, as part of its business, deal with state-owned business enterprises, the employees of which are considered foreign officials for the purposes of the FCPA. The provisions of the Bribery Act extend beyond bribery of foreign public officials and are more onerous than the FCPA in a number of other respects, including jurisdiction, non-exemption of facilitation payments and penalties.

As a result of conducting business in foreign countries, the Enlarged Group will be exposed to a risk of violating anti-corruption laws and sanctions regulations applicable in those countries where it, its partners or agents operate. Some of the international locations in which the Enlarged Group operates may lack a developed legal system and have high levels of corruption. Continued expansion and worldwide operations by the Enlarged Group, including in developing countries, development of joint venture relationships worldwide and the employment by it of local agents in the countries in which it operates increase the risk of violations of anti-corruption or similar laws. Violations of anti-corruption laws and sanctions regulations are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts (and termination of existing contracts) and revocations or restrictions of licences, as well as criminal fines and imprisonment. In addition, any such violations could have a significant impact on the Enlarged Group's reputation and consequently on its ability to win future business and could have a material adverse effect on its reputation, results of operations, business and financial condition.

While the Enlarged Group will have policies and procedures designed to assist in compliance with applicable laws and regulations, the Enlarged Group will seek to continuously improve its systems of internal controls, to remedy any weaknesses that are identified through appropriate corrective action depending on the circumstances, including additional training, improvement of internal controls and oversight and deployment of additional resources and to take appropriate action in case of any breach of the Enlarged Group's rules and procedures which might include disciplinary measures, suspensions of employees and ultimately termination of such employees.

Further detecting, investigating, and resolving these matters is expensive and could consume significant time and attention of the Enlarged Group's senior management. The Enlarged Group could also face fines, sanctions and other penalties from authorities in the relevant foreign jurisdictions, including prohibition of the Enlarged Group from participating in or curtailment of business operations in those jurisdictions. Any proceedings that may result from these matters could harm relationships with existing customers, distributors and agents and the Enlarged Group's ability to obtain new customers and partners.

There can be no assurance that policies and procedures of the Enlarged Group will be followed at all times or will effectively detect and prevent violations of the applicable laws by one or more of its employees, consultants, agents or partners and, as a result, the Enlarged Group could be subject to criminal and civil penalties and other remedial measures, which could have material adverse consequences for the Enlarged Group's results of operations, business and financial condition if any member of the Enlarged Group failed to prevent any such violations.

The IRS may not agree with the conclusion that Rosebank is to be treated as a non-US corporation for US federal income tax purposes following the Transaction or may assert that Rosebank is subject to certain unfavourable US federal income tax rules

For US federal income tax purposes, a corporation organised under non-US law generally is considered to be a tax resident of the jurisdiction of its organisation or in corporation. Rosebank is organised under the laws of Jersey and accordingly, under the generally applicable US federal income tax rules, is expected to be treated as a non-US corporation (and, therefore, not a US tax resident) for US federal income tax purposes. However, Section 7874 of the US Internal Revenue Code of 1986, as amended (the "**Internal Revenue Code**"), provides an exception to this general rule, pursuant to which Rosebank would be treated as a US corporation for US federal income tax purposes if, following the Transaction, at least 80% of its stock (by vote or value) is considered to be held by former shareholders of the Target Entities by reason of holding stock of the Target

Entities (such percentage referred to as the “ownership percentage”), and Rosebank and its “expanded affiliated group” do not have “substantial business activities” in Jersey. If Rosebank was to be treated as a US corporation for US federal income tax purposes, the Enlarged Group could be subject to substantial additional US federal income tax obligations and the gross amount of any dividend payments to a holder of Ordinary Shares (other than a US Holder) could be subject to US withholding tax.

In addition, even if Rosebank is not treated as a US corporation for US federal income tax purposes, Section 7874 of the Internal Revenue Code may cause Rosebank or the Enlarged Group to be subject to certain unfavourable US federal income tax rules in the event that the ownership percentage attributable to former shareholders of the Target Entities exceeds 60% and Rosebank and its “expanded affiliated group” do not have “substantial business activities” in Jersey. If the Enlarged Group was to be subject to these rules, the Enlarged Group and its subsidiaries could be subject to adverse tax consequences, including restrictions on the use of the Target Entities’ tax attributes with respect to “inversion gain” recognised over a ten year period following the Transaction, the recapture of certain deductions that the Target Entities previously took under Section 965(c) of the Internal Revenue Code at an unfavourable tax rate, the imposition of an excise tax equal to 1% of the fair market value of stock that Rosebank repurchases, and the requirement that any of the Enlarged Group’s US subsidiaries treat certain payments to Rosebank as “base erosion payments” that may be subject to a minimum US federal income tax. In addition, US Holders of Ordinary Shares could be subject to a higher rate of tax on any dividends paid by Rosebank.

Based upon the terms of the Transaction, the rules for determining the ownership percentage under Section 7874 of the Internal Revenue Code and the US Treasury regulations promulgated thereunder, and certain factual assumptions, the Enlarged Group does not currently expect to be subject to these rules under Section 7874 of the Internal Revenue Code. However, whether the requirements for such treatment have been satisfied must be finally determined after consummation of the Transaction, by which time there could be adverse changes to the relevant facts and circumstances. In addition, the rules for determining ownership under Section 7874 of the Internal Revenue Code are complex, unclear and subject to change. Accordingly, there can be no assurance that the IRS would not assert that the Enlarged Group should be subject to the above rules or that such an assertion would not be sustained by a court.

Additionally, even if the Enlarged Group is not subject to the above adverse consequences under Section 7874 of the Internal Revenue Code as a result of the Transaction, Rosebank could, in certain specific circumstances, be limited in using its equity to engage in future acquisitions of US corporations.

Shareholders are urged to consult with their tax advisers regarding the potential application of Section 7874 of the Internal Revenue Code and the US Treasury regulations promulgated thereunder to the Transaction.

E. GENERAL RISKS

References in this announcement to the “Enlarged Group” are to the Group following Transaction Completion and therefore incorporate MW Components and CPM. However, prior to Transaction Completion, and in the event that Transaction Completion does not occur, the risk factors below that are expressed to be applicable to the Enlarged Group will remain applicable to the Group (excluding MW Components and CPM) and in this context references to the “Enlarged Group”

shall instead be deemed to be references to the Group. References to “MW Components” and “CPM” are risks that will not be applicable to the Group should Transaction Completion not occur.

Economic conditions and current economic weakness

The Enlarged Group’s business plan may be subject to changes arising from relevant economic conditions, including, but not limited to, recessionary or inflationary trends, equity market levels, consumer credit availability, interest rates, consumers’ disposable income and spending levels, job security and unemployment and overall consumer confidence. Prevailing market conditions and macro-economic factors will continue to impact company valuations going forward and could have a material adverse effect on the Enlarged Group’s business, financial condition, results of operations and cash flows.

The Company may fail to pay dividends or make other returns

There is no guarantee of a dividend on the Ordinary Shares, and the declaration, payment and growth of any such dividend will depend, among other things, on the availability of financial resources of the Company and the Directors authorising any such dividend being able to give the 12-month, forward-looking, cash flow- based solvency statement in the form required by the Companies Law. The return of value by way of share redemption, repurchase or reduction of capital, is similarly dependent on, among other things, the Directors authorising any such return giving such a solvency statement at the relevant time.

The Company’s ability to pay dividends in the future depends, among other things, on the Enlarged Group’s financial performance and capital requirements

There can be no guarantee that the Company will be able to pay dividends in the future. As a holding company, the Company’s ability to pay dividends in the future will be affected by a number of factors, including its ability to receive sufficient dividends from subsidiaries. The ability of companies within the Enlarged Group to pay dividends and the Company’s ability to receive distributions from its investments in other entities are subject to restrictions. If the performance of the companies within the Enlarged Group is below market expectations, then their capacity to pay dividends to the Company will suffer.

Fluctuations in foreign exchange rates could have a negative impact on the Enlarged Group’s business

A large proportion of ECI 's historical revenues are denominated in currencies other than US dollars, particularly the Mexican peso. ECI's reported results of operations will fluctuate with average exchange rates and its reported net assets will fluctuate with year-end exchange rates. ECI currently uses and has in the past used hedging strategies to provide appropriate short and medium-term cover for foreign exchange exposures. ECI's current main currency pairing is US dollar/Mexican peso. ECI also has risk in other currency pairing exposures relating to US dollar/Chinese Renminbi, Euro/Polish złoty, Euro/Moroccan Dirham, US Dollar/Philippine Peso and US Dollar/Thai Baht. It has minimal risk in other currency pairing exposures relating to US Dollar, Hong Kong Dollar, Euro/US Dollar, GBP/Euro and USD/Canadian Dollar.

The Enlarged Group uses hedging strategies to manage and minimise the impact of exchange rate fluctuations on its cash flow and economic profits. There are complexities inherent in determining whether and when foreign exchange exposures will materialise, in particular given the possibility of unpredictable revenue variations arising from schedule delays and contract

postponements. The Enlarged Group is exposed to the risk of non-performance of its hedging counterparties and the success of any hedging strategy depends on the willingness of hedging counterparties to extend credit. Accordingly, no assurances may be given that the Enlarged Group's exchange rate hedging strategy would protect it from significant changes or fluctuations in revenues, expenses, assets and liabilities denominated in a currency other than US dollars. The materialisation of any or all of these risks could have a material adverse effect on the Enlarged Group's results of operations, business and financial condition.

Overseas Shareholders may be subject to exchange rate risk

The Ordinary Shares are, and any dividends to be paid in respect of them will be, denominated in pounds sterling. An investment in the Ordinary Shares by an investor whose principal currency is not pounds sterling exposes the investor to foreign currency exchange rate risk. Any depreciation of pounds sterling in relation to such foreign currency will reduce the value of the investment in the Ordinary Shares or any dividends in foreign currency terms.

Borrowing and liquidity

Existing debt may adversely impact the Enlarged Group's ability to obtain new debt financing on favourable terms in the future, particularly if coupled with downgrades of its credit ratings or a deterioration of capital markets conditions more generally. There can be no assurance that the Enlarged Group will not face future credit rating downgrades as a result of factors such as the performance of its businesses or changes in rating application or methodology, and future downgrades could adversely affect its cost of funds, liquidity and competitive position. In addition, if the Enlarged Group is unable to generate cash flows in accordance with its plans or face unforeseen needs for capital, it may adopt changes to its capital allocation plans (such as plans related to the timing or amounts of investments or capital expenditures, share repurchases or dividends) or take other actions.

Factors outside the Enlarged Group's control, such as fires, floods and other natural disasters, any epidemics or pandemics, any major disruption to the Enlarged Group's information systems, or man-made problems such as computer viruses, theft of critical data, terrorism, protests or other harassment could have a material adverse effect on its results of operations, business and financial condition

The Enlarged Group's sources for components or other supplies, as well as shipments of manufactured goods, are vulnerable to damage or interruption from fires, floods, pandemics, power losses, telecommunications failures, terrorist attacks, human errors, break-ins and similar events. A significant natural disaster, such as a fire or flood, whether at a facility owned by the Enlarged Group or at a third-party facility which holds stock belonging to the Enlarged Group, could have a material adverse effect on the Enlarged Group's results of operations, business and financial condition, and the Enlarged Group's insurance coverage may be insufficient to compensate it for losses that may occur. Any damages or contractual penalties the Enlarged Group is entitled to in the event that a supplier of the Enlarged Group does not meet its obligations with respect to timeliness and quality, may fail to mitigate the harm to the Enlarged Group's business caused by any such contractual breaches. In particular, shortages or interruptions in the supply of components or delays in the shipment of manufactured goods as a result of such an event could delay shipments of the Enlarged Group's products or increase its production costs. This in turn could have a material adverse effect on the Enlarged Group's results of operations, business and financial condition.

The Enlarged Group could be impacted negatively by information technology security threats including unauthorised access to intellectual property or other controlled information or cyber or ransomware attacks intended to disrupt the Enlarged Group's operations. Interruptions to the Enlarged Group's information systems could adversely affect its day-to-day operations. A major disruption to information systems could have a material adverse effect on the Enlarged Group's results of operations, business and financial position. The loss of confidential information, intellectual property or controlled data could result in fines, liability to customers and other counterparties and damage to the Enlarged Group's reputation, and could adversely affect its ability to win future contracts.

IT systems and cyber security threats

Should the Enlarged Group's technical and communication infrastructure systems not operate as intended or any third parties to whom the Enlarged Group outsources any of its IT services fail to deliver as expected, its ability to transact business across its international businesses would be significantly impaired. In addition, the Enlarged Group's IT systems and those it outsources are vulnerable to damage or interruption from circumstances beyond the Enlarged Group's control, including fire, natural disasters, power loss or disruptions, hacker attacks, computer systems failures, viruses, delays or disruptions due to system updates, malicious attacks, accidents, telecommunication failures, acts of terrorism or war, physical or electronic break-ins or similar events or disruptions. These information systems have been, and will likely continue to be, subject to attack. The failure of the Enlarged Group's IT systems to perform as anticipated could disrupt the Enlarged Group's business and could result in decreased sales, increased overhead costs, excess inventory and product shortages, causing the Enlarged Group's business and results of operations to suffer. In addition, unforeseen vulnerabilities in the Enlarged Group's security systems and policies could result in potential data misuse, resulting in damage to the Enlarged Group's reputation and an adverse effect on its results of operations, business or financial condition.

Information security and cyber threats are currently a priority across all industries and remain a key UK government agenda item. Cybersecurity breaches of the Enlarged Group's information technology systems could result in the misappropriation or unauthorised disclosure of confidential information belonging to it or to its customers, partners, suppliers, or employees. Any breach of data security could result in a disruption of the Enlarged Group's services or improper disclosure of personal data or confidential information, which could harm the Enlarged Group's reputation, require it to expend resources to remedy such a security breach or defend against further attacks or subject it to liability under laws that protect personal data, resulting in increased operating costs or loss of revenue. Like many businesses, the Enlarged Group may have a potential exposure in this area.

F. RISKS RELATING TO THE ORDINARY SHARES AND THE CAPITAL RAISE

References in this announcement to the "Enlarged Group" are to the Group following Transaction Completion and therefore incorporate MW Components and CPM. However, prior to Transaction Completion, and in the event that Transaction Completion does not occur, the risk factors below that are expressed to be applicable to the Enlarged Group will remain applicable to the Group (excluding the Target Entities) and in this context references to the "Enlarged Group" shall instead be deemed to be references to the Group.

The market price of the Ordinary Shares could be negatively impacted by sales of substantial amounts of Ordinary Shares, particularly following expiry of the lock-in period

Subject to or following the expiry of any undertakings given pursuant to lock-in agreements or similar arrangements with significant Shareholders, such Shareholders could sell a substantial number of Ordinary Shares in the public market following Admission and/or Readmission. Such sales, or the perception that such sales could occur, may materially adversely affect the market price of the Ordinary Shares. This may make it more difficult for Shareholders to sell the Ordinary Shares at a time and price that they deem appropriate and could also impede the Company's ability to issue Ordinary Shares in the future.

Although there is no present intention or arrangement to do so, the Rosebank Co-Founders may, following the expiry of the initial three-year lock-in period they agreed to as part of the July 2024 Admission, sell their Ordinary Shares without restriction. The market price of Ordinary Shares could decline significantly as a result of any sales of Ordinary Shares by the Rosebank Co-Founders following expiry of that initial three-year lock-in period (or otherwise) or the perception that such a sale could occur.

The Capital Raise is conditional on the passing of the Transaction Resolutions but not conditional upon Transaction Completion

The Capital Raise is not conditional upon Transaction Completion and will complete shortly following the approval of the Transaction by Shareholders at the General Meeting and Admission. In the unlikely event that the Capital Raise proceeds but Transaction Completion does not occur, the Directors' current intention is that the net proceeds will be invested on a short-term basis while the Directors consider how best to return surplus capital to Shareholders in a timely manner. Such a return could carry fiscal costs for certain Shareholders, would have costs for Rosebank and would be subject to applicable securities laws. There can be no assurance that in such circumstances surplus capital can be returned to Shareholders in a timely manner or at all.

The Enlarged Group may be unable to transfer to an appropriate listing venue

It is the intention of the Directors that, in the second quarter of 2026, Rosebank will seek the admission of its Ordinary Shares to the Equity Shares (Commercial Companies) (ESCC) category of the Official List and to trading on the Main Market of the London Stock Exchange, irrespective of whether or not the Transaction proceeds. There can be no guarantee that the Company will meet the required eligibility criteria for the ESCC category of the Official List or that a transfer to the ESCC category of the Official List or other appropriate listing venue will be achieved in the second quarter of 2026 or at all. A failure to change listing venue may have an adverse effect on the valuation of the Ordinary Shares.

The Company may be subject to restrictions in offering its Ordinary Shares in certain jurisdictions

The Company may offer its Ordinary Shares or other equity securities as part of the consideration to fund, or in connection with, future acquisitions. However, certain jurisdictions may restrict the Company's use of its Ordinary Shares or other securities for this purpose, which could result in the requirement for the Company to use alternative sources of consideration. Such restrictions may limit the Company's available acquisition opportunities or make certain acquisitions more costly which may have an adverse effect on its operations.

The ability of overseas Shareholders to bring actions or enforce judgments against the Company or the Directors may be limited

The ability of an overseas Shareholder to bring an action against the Company may be limited under applicable law. The Company is a public limited company incorporated and registered in Jersey. The rights of holders of the Company's Ordinary Shares are governed by Jersey law and by the Articles. Jersey law limits significantly the circumstances under which the shareholders of Jersey companies may bring derivative actions. Under Jersey law, in most cases, only the Company may be the proper plaintiff for the purposes of maintaining proceedings in respect of wrongful acts committed against it and, generally, neither an individual shareholder, nor any group of shareholders, has any right of action in such circumstances. Jersey law does not afford appraisal rights to dissenting shareholders in the form typically available to shareholders in a US company, for example. In addition, it may not be possible for an overseas Shareholder to enforce any judgments in civil or commercial matters or any judgments in securities laws of countries other than the UK against some or all of the Directors or executive officers of the Company who are resident in the UK or countries other than those in which judgment is made.

Ordinary Shares traded on AIM

AIM securities are not admitted to the Official List. An investment in Ordinary Shares quoted on AIM may carry a higher risk than an investment in shares quoted on the Official List. AIM has been in existence since June 1995 but its future success, and liquidity in the market for the Ordinary Shares, cannot be guaranteed. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached compared with larger or more established companies. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser duly authorised under the FSMA (or the corresponding legislation in the jurisdiction in which a prospective investor is resident) who specialises in advising on the acquisition of shares and other securities.

Liquidity

The Company can give no assurance that an active trading market for the Ordinary Shares will be maintained. If an active trading market is not maintained, the liquidity and trading price of the Ordinary Shares could be adversely affected and Shareholders may have difficulty selling their Ordinary Shares. The market price of the Ordinary Shares may drop below the price at which a Shareholder purchased Ordinary Shares. Any investment in the Ordinary Shares should be viewed as a long-term investment. Shareholders have no right to have their Ordinary Shares repurchased by the Company at any time and therefore Shareholders wishing to realise their investment in the Company will be required to dispose of their Ordinary Shares through the stock market. Whilst the Directors retain the right to effect repurchases of Ordinary Shares, they are under no obligation to use such powers at any time and Shareholders should not place any reliance on the willingness of the Directors so to act. Market liquidity in the shares of similar companies to the Company is frequently inferior to the market liquidity in shares issued by larger companies traded on the London Stock Exchange. There can be no guarantee that a liquid market in the Ordinary Shares will exist. Accordingly, Shareholders may be unable to realise their Ordinary Shares at the quoted market price or at all.

The market price for the Ordinary Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control

In recent years, financial markets have experienced significant price and volume fluctuations that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Additionally, these factors, as well as other related factors, may cause decreases in asset values, which may result in impairment losses resulting in the deferral or ultimately the loss of future income. Any recessionary economic environment, and the resulting increased levels of volatility and related market turmoil, could have a material adverse effect on the Company's future investment-related income, business, operations, financial condition, share price and ability to pay a dividend or return capital to Shareholders.

Dilution of Shareholders' interests as a result of the Capital Raise or additional equity issues

If Shareholders do not participate or are unable to take up the offer of Ordinary Shares under the Institutional Capital Raise, their proportionate ownership and voting interests in the Company will be reduced as a result of the Institutional Capital Raise and the percentage that their Ordinary Shares will represent of the Enlarged Share Capital will be reduced accordingly. Shareholders may also be diluted in connection with the Retail Offer.

Further, the Company may choose to issue additional Ordinary Shares in subsequent public offerings or private placements to fund acquisitions or as consideration for acquisitions. The Company is seeking renewed standing authorities to allot shares and disapply pre-emption rights based on its Enlarged Share Capital at the General Meeting. In addition, the Company may issue additional Ordinary Shares not for cash or to satisfy entitlements of participants in the LTIP arising on crystallisation of a series of Incentive Shares. Future placings or other issues of Ordinary Shares when pre-emption rights have been disapplied would result in the dilution of the interests of existing Shareholders. The extent of such dilution will depend on the number of Ordinary Shares placed or otherwise issued on each occasion, and the price (if any) at which such Ordinary Shares are issued. The perceived risk of dilution may cause the market price of the Ordinary Shares to reflect a lesser sensitivity to increases in the underlying value of Ordinary Shares than might otherwise be expected.

General investment risk and possible volatility of the price of Ordinary Shares

Investors should be aware that the market price of Ordinary Shares may be volatile and may go down as well as up and Shareholders may therefore be unable to recover their original investment and could even lose their entire investment. This volatility could be attributable to various factors and events, including the availability of information for determining the market value of the Ordinary Shares, any regulatory or economic changes affecting the Enlarged Group's operations, variations in the Enlarged Group's operating results, developments in the Enlarged Group's business or its competitors, or changes in market sentiment towards the Ordinary Shares. In addition, the Enlarged Group's operating results and prospects from time to time may be below the expectations of market analysts and investors. Market conditions may affect the Ordinary Shares regardless of the Enlarged Group's operating performance or the overall performance of the sector in which the Enlarged Group operates. Share market conditions are affected by many factors, including general economic outlook, movements in or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards particular market sectors and the demand and supply for capital. Accordingly, the market price of the Ordinary Shares may not reflect the underlying value of the Enlarged Group's net assets, and

the price at which investors may dispose of their Ordinary Shares at any point in time may be influenced by a number of factors, only some of which may pertain to the Enlarged Group while others of which may be outside the Enlarged Group's control. If the Enlarged Group's revenues do not grow, or grow more slowly than anticipated, or if its operating or capital expenditures exceed expectations and cannot be adjusted sufficiently, the market price of its Ordinary Shares may decline. In addition, if the market for securities of companies in the same sector or the stock market in general experiences a loss in investor confidence or otherwise falls, the market price of the Ordinary Shares may fall for reasons unrelated to the Enlarged Group's business, results of operations or financial condition. Therefore, Shareholders might be unable to resell their Ordinary Shares at or above the price at which they have purchased their Ordinary Shares.

APPENDIX IV

TERMS AND CONDITIONS OF THE PLACING

THE ANNOUNCEMENT INCLUDING THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR PUBLICATION, RELEASE, TRANSMISSION, DISTRIBUTION OR FORWARDING, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN, INTO OR FROM THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, ISRAEL OR SOUTH AFRICA OR ANY JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL (EACH A “RESTRICTED TERRITORY”).

IMPORTANT INFORMATION ON THE PLACING FOR INVITED PLACEES ONLY.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING (AS DEFINED BELOW). THE ANNOUNCEMENT INCLUDING THE TERMS AND CONDITIONS SET OUT IN THIS APPENDIX IS DIRECTED ONLY AT: (A) PERSONS IN MEMBER STATES OF THE EEA WHO ARE “QUALIFIED INVESTORS” WITHIN THE MEANING OF ARTICLE 2(E) OF THE EU PROSPECTUS REGULATION (“QUALIFIED INVESTORS”); OR (B) IN THE UNITED KINGDOM, “QUALIFIED INVESTORS” WITHIN THE MEANING OF PARAGRAPH 15 OF SCHEDULE 1 OF THE PUBLIC OFFERS AND ADMISSIONS TO TRADING REGULATIONS 2024 (THE “POATR”), WHO (I) ARE PERSONS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE “ORDER”); OR (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (“HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC”) OF THE ORDER; OR (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “RELEVANT PERSONS”); OR (C) IN AUSTRALIA, THE FOLLOWING PERSONS TO WHOM A DISCLOSURE DOCUMENT IS NOT REQUIRED TO BE PROVIDED UNDER PART 6D.2 OF THE CORPORATIONS ACT 2001 (CTH) (“CORPORATIONS ACT”): (I) “SOPHISTICATED INVESTORS” WITHIN THE MEANING OF SECTION 708(8) OF THE CORPORATIONS ACT; OR (II) “EXPERIENCED INVESTORS” MEETING THE CRITERIA IN SECTION 708(10) OF THE CORPORATIONS ACT; OR (III) “PROFESSIONAL INVESTORS” WITHIN THE MEANING OF SECTION 708(11) OF THE CORPORATIONS ACT) (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “WHOLESALE INVESTORS”). THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON: (I) IN THE UNITED KINGDOM, BY PERSONS WHO ARE NOT RELEVANT PERSONS; (II) IN ANY MEMBER STATE OF THE EEA, BY PERSONS WHO ARE NOT QUALIFIED INVESTORS; AND (III) IN AUSTRALIA, BY PERSONS WHO ARE NOT WHOLESALE INVESTORS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THE ANNOUNCEMENT INCLUDING THE TERMS AND CONDITIONS SET OUT HEREIN RELATES IS AVAILABLE ONLY TO: (I) RELEVANT PERSONS IN THE UNITED KINGDOM AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS IN THE UNITED KINGDOM; (II) QUALIFIED INVESTORS IN MEMBER STATES OF THE EEA; AND (III) WHOLESALE INVESTORS IN AUSTRALIA.

THIS APPENDIX DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF, OR A SOLICITATION OF AN OFFER TO BUY OR SUBSCRIBE FOR OR OTHERWISE ACQUIRE, ANY SECURITIES IN THE COMPANY.

THE SECURITIES MENTIONED HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “SECURITIES ACT”) OR UNDER THE SECURITIES LAWS OF ANY OTHER JURISDICTION, HAVE NOT BEEN RECOMMENDED BY, OR APPROVED BY, THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE “SEC”) OR ANY OTHER UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY, AND MAY NOT BE OFFERED, SOLD, PLEDGED, TAKEN UP, EXERCISED, RESOLD, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES ABSENT REGISTRATION UNDER THE SECURITIES ACT EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF

THE UNITED STATES. THERE WILL BE NO PUBLIC OFFER OF THE SECURITIES MENTIONED HEREIN IN THE UNITED KINGDOM, THE UNITED STATES, ANY OTHER RESTRICTED TERRITORY OR ELSEWHERE.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS, FINANCIAL AND RELATED ASPECTS OF AN ACQUISITION OF PLACING SHARES (AS DEFINED BELOW). THE PRICE OF SHARES AND THE INCOME FROM THEM (IF ANY) MAY GO DOWN AS WELL AS UP AND INVESTORS MAY NOT GET BACK THE FULL AMOUNT INVESTED ON DISPOSAL OF SHARES.

The distribution of the Announcement and the Placing and/or the offer or sale of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or by the Banks or any of its or their respective affiliates or any of its or their respective agents, directors, officers or employees which would, or is intended to, permit an offer of the Placing Shares or possession or distribution of the Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required.

The Announcement is being distributed and communicated to persons in the UK only in circumstances to which section 21(1) of the FSMA does not apply.

Subject to certain exceptions, the securities referred to in the Announcement may not be offered or sold in any Restricted Territory or to, or for the account or benefit of, a citizen or resident or person located in, or a corporation, partnership or other entity created or organised in or under the laws of a Restricted Territory.

The Banks are acting exclusively for the Company and no one else in connection with the Placing and are not, and will not be, responsible to anyone (including the Placees) other than the Company for providing the protections afforded to their clients nor for providing advice in relation to the Placing and/or any other matter referred to in the Announcement.

None of the Company or the Banks or any of its or their respective affiliates or any of its or their respective agents, directors, officers or employees makes any representation or warranty, express or implied to any Placees regarding any investment in the Placing Shares under the laws applicable to such Placees.

Persons who are invited to and who choose to participate in the Placing of new ordinary shares (the "Placing Shares") in the capital of the Company, by making an oral or written offer to acquire Placing Shares, including any individuals, funds or others on whose behalf a commitment to acquire Placing Shares is given (the "Placees"), will be deemed: (i) to have read and understood the Announcement, including this Appendix, in its entirety; and (ii) to be making such offer on the terms and conditions contained in this Appendix, including being deemed to be providing (and shall only be permitted to participate in the Placing on the basis that they have provided) the representations, warranties, acknowledgements and undertakings set out herein.

Notice to Canadian Investors

The distribution of Placing Shares in Canada is to be made on a private placement basis only, exempt from the requirement that the Company prepare and file a prospectus with the relevant Canadian securities regulatory authorities and only to those who are both "accredited investors" within the meaning of National Instrument 45-106 – Prospectus Exemptions (or section 73.3(1) of the Securities Act (Ontario), as applicable) and "permitted clients" within the meaning of National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations. In connection with any such sale made to investors in the Placing that are located in Canada, the Placee will be required to provide a signed investor qualification statement, confirming its eligibility to participate in the Placing.

The Company is not a "reporting issuer", as such term is defined under applicable Canadian securities legislation, in any province or territory of Canada, its securities are not listed on any stock exchange in Canada and there is currently no public market for the Placing Shares in Canada. The Company currently

does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Placing Shares to the public in any province or territory of Canada or listing its securities on any stock exchange in Canada. Therefore, there will be no public market in Canada for the Placing Shares and the resale or transfer of the Placing Shares will be subject to restrictions. Accordingly, any resale of the Placing Shares of the Company must be made in accordance with applicable securities laws, and which may require resales to be made in accordance with exemptions from registration and prospectus requirements.

The Announcement and any related marketing materials are provided solely for informational purposes in connection with a private placement to eligible Canadian purchasers and is not intended to, and does not, constitute an “offering memorandum” as such term is defined under Canadian securities legislation. Notwithstanding the foregoing, securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if the Announcement (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

The Announcement is not, and under no circumstances is it to be construed as, an advertisement or a public offering of the Placing Shares in Canada. No securities commission or similar regulatory authority in Canada has reviewed or in any way expressed an opinion about the Placing Shares and any representation to the contrary is an offence.

In particular each such Placee represents, warrants and acknowledges that:

- (a) if it is in the United Kingdom, it is a Relevant Person (as defined above) and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
- (b) if it is a person in a member state of the EEA, it is a Qualified Investor (as defined above);
- (c) if it is in Australia, it is a Wholesale Investor (as defined above);
- (d) it is and, at the time the Placing Shares are acquired, will be outside the United States and is acquiring the Placing Shares in an “offshore transaction” in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act (“Regulation S”); or
- (e) if it is a financial intermediary, as that term is used in Article 2(d) of the EU Prospectus Regulation and Regulation 7(4) of the POATR, that it understands the resale and transfer restrictions set out in this Appendix and that any Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of securities to the public other than an offer or resale in a member state of the EEA to Qualified Investors or in the United Kingdom to Relevant Persons, or in circumstances in which the prior consent of the Banks has been given to each such proposed offer or resale.

The Company and the Banks will rely on the truth and accuracy of the foregoing representations, warranties and acknowledgements.

The Placing Shares are being offered and sold outside the United States in accordance with Regulation S.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Appendix or the Announcement of which it forms part should seek appropriate advice before taking any action. Persons into whose possession the Announcement comes are required by the Company and the Banks to inform themselves about, and to observe, any such restrictions.

Notice to Israeli Investors

The Placing Shares may not be offered or sold to the public in Israel absent the publication of a prospectus that has been approved by the Israel Securities Authority (the "ISA"). No prospectus under the Israeli Securities Law, 5728-1968 (the "Israeli Securities Law") has been filed with or approved by the ISA. In Israel, any document related to the Placing (including, without limitation, the Announcement and this Appendix) is being distributed only to, and is directed only at, and any offer of the Placing Shares is directed only at, (i) a limited number of persons in accordance with the Israeli Securities Law and (ii) investors listed in the first addendum to the Israeli Securities Law (the "Addendum"), consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters, venture capital funds, entities with equity in excess of NIS 50 million and "qualified individuals," each as defined in the Addendum (as it may be amended from time to time), collectively referred to as qualified investors (in each case, purchasing for their own account or, where permitted under the Addendum, for the accounts of their clients who are investors listed in the Addendum). Qualified investors are required to submit written confirmation that they fall within the scope of the Addendum, are aware of the meaning of same and agree to it.

Details of the Placing Agreement and the Placing Shares

Barclays, Citigroup, Investec and Jefferies have entered into a placing agreement with the Company (the "Placing Agreement") under which the Banks have severally (and not jointly or jointly and severally) agreed on the terms and subject to the conditions set out therein, to use their reasonable endeavours to procure Placees to take up the Placing Shares or to the extent that Placees are not procured or any Placee defaults in paying the Issue Price in respect of any of the Placing Shares allotted to it, the Banks have severally (and not jointly or jointly and severally) agreed to subscribe for such Placing Shares at the Issue Price.

The Placing Shares will, when issued, be credited as fully paid and will rank *pari passu* in all respects with the existing Ordinary Shares of no par value in the capital of the Company, including the right to receive all dividends and other distributions declared, made or paid on or in respect of the Ordinary Shares after the date of issue of the Placing Shares, and will on issue be free of all claims, liens, charges, encumbrances and equities.

Applications for listing and admission to trading

Application will be made to the London Stock Exchange for admission to trading of the Placing Shares on AIM market operated by the London Stock Exchange ("AIM") ("Admission").

It is expected that Admission will become effective not later than 8.00 a.m. (London time) on 25 March 2026 (or such later date determined by the Company in consultation with the Banks being no later than 16 April 2026) (the "Closing Date") and that dealings in the Placing Shares will commence at that time.

Book Build

The Banks will today commence the bookbuilding process in respect of the Placing (the "Book Build") to determine demand for participation in the Placing by Placees. The book will open with immediate effect. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.

The Banks and the Company shall be entitled to effect the Placing by such alternative method to the Book Build as they may, in their sole discretion, determine.

Participation in, and principal terms of, the Placing

1. The Banks are acting as joint global coordinators and joint bookrunners in relation to the Placing severally, and not jointly, nor jointly and severally, as agents of the Company. Participation in the

Placing will only be available to persons who may lawfully be, and are, invited to participate by any of the Banks. Each of the Banks and their respective affiliates are entitled to enter bids as principal in the Book Build.

2. The single price payable in respect of the Placing Shares will be £3.30 per Placing Share.
3. To bid in the Book Build, prospective Placees should communicate their bid by telephone or in writing to their usual sales contact at one of the Banks. Each bid should state the number of Placing Shares which the prospective Placee wishes to acquire at the Issue Price. Bids may be scaled down by the Banks on the basis referred to in paragraph 7 below.
4. A bid in the Book Build will be made on the terms and subject to the conditions in this Appendix and will be legally binding on the Placee on behalf of which it is made and except with the relevant Bank's consent will not be capable of variation or revocation after the time at which it is submitted. Each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to the relevant Bank, to pay it (or as it may direct) in cleared funds an amount equal to the product of the Issue Price and the number of Placing Shares that such Placee has agreed to acquire. Each Placee's obligations will be owed to the relevant Bank.
5. The Book Build is expected to close around 2:00 p.m. (London time) on 3 March 2026, but may be closed earlier or later, at the discretion of the Banks. The Banks may, in agreement with the Company, accept bids that are received after the Book Build has closed.
6. Each prospective Placee's allocation will be agreed by the Banks and the Company and will be confirmed to Placees orally by the relevant Bank following the close of the Book Build, and a trade confirmation will be dispatched as soon as possible thereafter. Subject to paragraph 4 above, the relevant Bank's oral confirmation to such Placee will constitute an irrevocable legally binding commitment upon such person (who will at that point become a Placee) in favour of such Bank and the Company, under which such Placee agrees to acquire the number of Placing Shares allocated to it and to pay the relevant Issue Price for each such Placing Share on the terms and conditions set out in this Appendix and in accordance with the Company's corporate documents. To the fullest extent permitted by law, each Placee shall have no right to rescind, terminate or otherwise withdraw from such commitment.
7. The Banks will, in effecting the Placing, agree with the Company the identity of the Placees and the basis of allocation of the Placing Shares. The Banks may choose to accept bids, either in whole or in part, on the basis of allocations determined in agreement with the Company and may scale down any bids for this purpose on such basis as it may determine. The Banks may also, notwithstanding paragraphs 4 and 6 above, in agreement with the Company: (i) allocate Placing Shares after the time of any initial allocation to any person submitting a bid after that time; and (ii) allocate Placing Shares after the Book Build has closed to any person submitting a bid after that time. The Company reserves the right (upon agreement with the Banks) to reduce or seek to increase the amount to be raised pursuant to the Placing, at its absolute discretion. The acceptance of the bids shall be at the relevant Bank's absolute discretion, subject to agreement with the Company.
8. Except as required by law or regulation, no press release or other announcement will be made by the Banks or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
9. Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".
10. All obligations under the Book Build and Placing will be subject to fulfilment or (where applicable) waiver of the conditions referred to below under "Conditions of the Placing" and to the Placing not

being terminated on the basis referred to below under “Right to terminate under the Placing Agreement”.

11. By participating in the Book Build, each Placee agrees that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee after confirmation (oral or otherwise) by a Bank.
12. To the fullest extent permissible by law, none of the Banks, the Company nor any of their respective affiliates, directors, officers, employees or agents of any of them nor any person acting on their respective behalf shall have any responsibility or liability (whether in contract, tort or otherwise) to any Placee (or to any other person whether acting on behalf of a Placee or otherwise). In particular, none of the Banks, nor the Company, nor any of their respective affiliates, directors, officers, employees or agents of any of them nor any person acting on their respective behalf shall have any responsibility or liability (whether in contract, tort or otherwise and including to the fullest extent permissible by law, any fiduciary duties) in respect of the Banks’ conduct of the Book Build or of such alternative method of effecting the Placing as the Banks and the Company may agree.

Conditions of the Placing

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms. The Banks’ obligations under the Placing Agreement are conditional on, among others:

- (a) the Acquisition Agreements not having terminated, lapsed or ceased to be capable of completion in accordance with their respective terms, prior to Admission;
- (b) Admission occurring not later than 8:00 a.m. (London time) on the Closing Date;
- (c) the passing without amendment (or with such amendments as the Banks and the Company may agree in writing) of the Transaction Resolutions at the General Meeting (or such later date (not later than 16 April 2026) as determined by the Company following consultation with the Banks); and
- (d) the new Ordinary Shares having been admitted as participating securities within CREST with effect from Admission;

If: (i) any of the conditions contained in the Placing Agreement, including those described above, are not fulfilled or (where applicable) waived by the Banks by the relevant time or date specified; or (ii) the Placing Agreement is terminated in the circumstances specified below, the Placing will lapse and the Placees’ rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by it in respect thereof.

The Banks may, at their discretion and upon such terms as they think fit, waive compliance by the Company with the whole or any part of any of the Company’s obligations in relation to the conditions contained in the Placing Agreement save that conditions (a), (b) and (d) above may not be waived. Any such waiver will not affect Placees’ commitments as set out in the Announcement.

By participating in the Placing each Placee agrees that none of the Banks nor any of their affiliates, nor any of their respective directors, officers, employees or agents shall have any liability (whether in contract, tort or otherwise) to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision it may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing or in respect of the Placing generally, and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of the Banks.

By participating in the Book Build, each Placee agrees that its rights and obligations hereunder terminate only in the circumstances described above and under “Right to terminate under the Placing Agreement” below, and will not be capable of rescission or termination by the Placee.

Right to terminate under the Placing Agreement

The Banks are entitled, at any time before Admission, to terminate the Placing Agreement in accordance with its terms in certain customary circumstances.

Upon termination of the Placing Agreement, the parties to the Placing Agreement shall be released and discharged (except for any liability arising before or in relation to such termination) from their respective obligations under or pursuant to the Placing Agreement, subject to certain exceptions.

By participating in the Placing, Placees agree that the exercise or non-exercise by any Bank of any right of termination or other discretion arising under the Placing Agreement shall be within the discretion of the relevant Bank, and neither the Company nor the Banks need to make any reference to, or consultation with, Placees and neither the Company nor the Banks nor any of their respective affiliates, directors, officers, employees or agents of any of them shall have any liability to Placees whatsoever in connection with any such exercise or failure to exercise.

Lock-up

The Company has undertaken to the Banks that, between the date of the Placing Agreement and the date which is 180 days after Admission, it will not, without the prior written consent of the Banks (not to be unreasonably withheld or delayed), enter into certain transactions involving or relating to the Ordinary Shares, subject to certain carve-outs agreed between the Banks and the Company.

By participating in the Placing, Placees agree that the exercise by the Banks of any power to grant consent to the undertaking by the Company of a transaction which would otherwise be subject to the lock-up under the Placing Agreement shall be within the discretion of the Banks and that it need not make any reference to, or consultation with, Placees and that it shall have no liability to Placees whatsoever in connection with any such exercise of the power to grant consent or failure to exercise such power.

No Prospectus

No offering document or prospectus has been or will be submitted to be approved by the FCA or the London Stock Exchange (or any other authority) in relation to the Placing or Admission and no such prospectus is required to be published.

Placees' commitments will be made solely on the basis of the information contained in the Announcement (including this Appendix). Each Placee, by accepting a participation in the Placing, agrees that the content of the Announcement (including this Appendix) and all other publicly available information previously or simultaneously published by the Company by notification to a Regulatory Information Service or otherwise filed by the Company is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of the Company or the Banks or any other person and none of the Company, the Banks nor any of their respective affiliates, nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placee may have obtained or received (regardless of whether or not such information, representation, warranty or statement was given or made by or on behalf of any such persons). Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

Registration and Settlement

Settlement of transactions in the Placing Shares (ISIN: JE00BSBJ5M88) following Admission will take place in CREST, subject to certain exceptions. The Banks and the Company reserve the right to require settlement of, and delivery of, some or all of the Placing Shares to Placees by such other means that they

deem necessary if delivery or settlement is not practicable in CREST within the timetable set out in the Announcement or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Following the close of the Book Build for the Placing, each Placee allocated Placing Shares in the Placing will be sent a trade confirmation in accordance with the standing arrangements in place with the relevant Bank stating the number of Placing Shares allocated to it at the Issue Price, the aggregate amount owed by such Placee to the Banks and settlement instructions. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with the standing CREST or certificated settlement instructions in respect of the Placing Shares that it has in place with the relevant Bank (unless otherwise agreed).

It is expected that settlement will be no later than 25 March 2026 in accordance with the instructions set out in the trade confirmation.

In the event of any difficulties or delays in the admission of the Placing Shares to CREST or the use of CREST in relation to the Placing, the Company and the Banks may agree that the Placing Shares should be issued in certificated form. The Banks reserve the right to require settlement for the Placing Shares, and to deliver the Placing Shares to Placees, by such other means as they deem necessary if delivery or settlement to Placees is not practicable within the CREST system or would not be consistent with regulatory requirements in a Placee's jurisdiction.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above SONIA as determined by the Banks.

Each Placee is deemed to agree that, if it does not comply with these obligations, the Banks may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for the Banks' account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax or other stamp, securities, transfer, registration, execution, documentary or other similar impost, duty or tax imposed in any jurisdiction (together with any interest, fines or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf. By communicating a bid for Placing Shares, each Placee confers on the Banks all such authorities and powers necessary to carry out any such sale and agrees to ratify and confirm all actions which the Banks lawfully take in pursuance of such sale.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the trade confirmation is copied and delivered immediately to the relevant person within that organisation.

Insofar as Placing Shares are settled in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so settled free from any liability to UK stamp duty or stamp duty reserve tax. If there are any circumstances in which any other stamp duty or stamp duty reserve tax (and/or any interest, fines or penalties relating thereto) is payable in respect of the allocation, allotment, issue or delivery of the Placing Shares (or for the avoidance of doubt if any stamp duty or stamp duty reserve tax is payable in connection with any subsequent transfer of or agreement to transfer Placing Shares), none of the Banks nor the Company shall be responsible for the payment thereof.

Representations, Warranties and Further Terms

By submitting a bid and/or participating in the Placing, each Placee (and any person acting on such Placee's behalf) irrevocably acknowledges, confirms, undertakes, represents, warrants and agrees (for itself and for any such prospective Placee) with the Banks and the Company, in each case as a fundamental term of its application for Placing Shares, the following:

- 1 it has read and understood the Announcement in its entirety (including this Appendix), and that its participation in the Book Build and the Placing and its subscription for and purchase of Placing

Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and undertakes not to redistribute or duplicate the Announcement;

- 2 that it has made its investment decision based solely upon its own judgement, due diligence and analysis and not upon any view expressed or information provided by or on behalf of the Banks or any other person otherwise than as set out in the Announcement;
- 3 that no offering document, offering memorandum, admission document or prospectus has been or will be prepared in connection with the Placing or is required under the AIM Rules or any other applicable law and it has not received and will not receive a prospectus or other offering document in connection therewith;
- 4 that none of the Banks, the Company, nor any of their respective affiliates or any person acting on behalf of any of them has provided, nor will provide it, with any information regarding the Placing Shares, the Book Build, the Placing or the Company other than the Announcement; nor has it requested any of the Banks, the Company, any of their affiliates or any person acting on behalf of any of them to provide it with any such information;
- 5 that the Company's Ordinary Shares are admitted to trading on the AIM market of the London Stock Exchange and the Company is therefore required to publish certain business and financial information in accordance with the Market Abuse Regulation (EU) No.596/2014 (as it forms part of the laws of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended from time to time) ("Market Abuse Regulation") and the rules and practices of the London Stock Exchange (including the AIM Rules) (collectively, the "Exchange Information"), which includes a description of the Company's business and the Company's financial information, including balance sheets and income statements, and similar statements for preceding financial years and that it is able to obtain or access the Exchange Information without undue difficulty and that it has reviewed such Exchange Information as it has deemed necessary;
- 6 that the content of the Announcement is exclusively the responsibility of the Company and that none of the Banks, nor any of their respective affiliates nor any person acting on behalf of any of them has or shall have any liability for any information, representation or statement contained in, or omission from, the Announcement or any information previously published by or on behalf of the Company, including, but not limited to, the Exchange Information, and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in the Announcement or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire Placing Shares is contained in the Announcement and any information previously or simultaneously published by the Company by notification to a Regulatory Information Service, such information being all that such Placee deems necessary or appropriate and sufficient to make an investment decision in respect of the Placing Shares and that it has neither received nor relied on any other information given, or representations, warranties or statements made, by any of the Banks or the Company nor any of their respective affiliates and none of the Banks or the Company will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;
- 7 that it may not rely, and has not relied, on any investigation that the Banks, any of their respective affiliates or any person acting on behalf of any of them, may or may not have conducted with respect to the Placing Shares or the Company, and none of such persons has made any representation, express or implied, with respect to the Company, the Placing Shares or the accuracy, completeness or adequacy of the Exchange Information or any other information;
- 8 that it has conducted its own investigation with respect to the Company and the Placing Shares, received and reviewed all information that it believes is necessary or appropriate in connection with

its purchase of Placing Shares and made its own assessment and has satisfied itself concerning the relevant tax, legal, regulatory, currency and other economic considerations relevant to its investment in the Placing Shares;

- 9 that none of the Banks, nor any of their respective affiliates or any person acting on behalf of any of them has or shall have any liability for any information made publicly available by or in relation to the Company or any representation, warranty or statement relating to the Company or the Group contained therein or otherwise, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;
- 10 that it is and, at the time the Placing Shares are acquired, will be outside the United States and is acquiring the Placing Shares in an "offshore transaction" in accordance with Rule 903 or Rule 904 of Regulation S;
- 11 that it: (i) has such knowledge and experience in financial, business and international investment matters as is required to be capable of evaluating the merits and risks of an investment in the Placing Shares; (ii) will not look to the Banks, any of their respective affiliates or any person acting on behalf of any of them for all or part of any such loss it may suffer; (iii) is experienced in investing in securities of this nature in this sector and is aware that it might be required to bear and is able to bear the economic risk of an investment in the Placing Shares for an indefinite period of time; (iv) is able to sustain a complete loss of an investment in the Placing Shares; and (v) has no need for liquidity with respect to its investment in the Placing Shares;
- 12 unless otherwise specifically agreed with the Banks, that they are not, and at the time the Placing Shares are acquired, neither it nor the beneficial owner of the Placing Shares will be, a resident of, or located in, a Restricted Territory or any other jurisdiction in which it would be unlawful to make or accept an offer to acquire the Placing Shares, subject to certain restrictions;
- 13 that the Placing Shares have not been and will not be registered under the Securities Act, that the Placing Shares have not been recommended by, or approved by, the SEC or any other United States federal or state securities commission or regulatory authority, and that a prospectus will not be published in respect of any of the Placing Shares under the securities laws or legislation of the United States or any state or jurisdiction thereof, and that the Placing Shares have not been and will not be registered and that a prospectus will not be published in respect of any of the Placing Shares under the securities laws or legislation of Australia, Canada, South Africa, Israel or Japan and, subject to certain exceptions, may not be offered, sold, or delivered or transferred, directly or indirectly, in or into any of these jurisdictions or any other jurisdiction where to do so would be unlawful;
- 14 that it is not acquiring any of the Placing Shares as a result of any form of directed selling efforts (as defined in Regulation S);
- 15 that it is not an affiliate (as defined in Rule 501(b) under the Securities Act) of the Company, and is not acting on behalf of an affiliate of the Company;
- 16 that the allocation, allotment, issue and delivery to it of Placing Shares or to the person specified by it as the person to whom such Placing Shares are allocated will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to issue or transfer Placing Shares into a clearance service for the purposes of those sections;
- 17 that it has complied with its obligations under the Criminal Justice Act 1993 and the Market Abuse Regulation and in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Anti-Terrorism Crime and Security Act 2001, the Terrorism Act 2006, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and the Money Laundering Sourcebook of the FCA and any related

or similar rules, regulations or guidelines, issued, administered or enforced by any government agency having jurisdiction in respect thereof and it is not a person: (a) with whom transactions are prohibited under the Foreign Corrupt Practices Act of 1977 or any economic sanction programmes administered by, or regulations promulgated by, the Office of Foreign Assets Control of the U.S. Department of the Treasury; (b) named on the Consolidated List of Financial Sanctions Targets maintained by HM Treasury of the United Kingdom; or (c) subject to financial sanctions imposed pursuant to a regulation of the European Union or a regulation adopted by the United Nations (together the "Regulations") and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;

- 18 that its commitment to acquire Placing Shares on the terms set out herein will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or the Banks' conduct of the Placing;
- 19 that it is acting as principal only in respect of the Placing or, if it is acting for any other person: (i) it is duly authorised to do so and has full power to make the acknowledgements, representations and agreements herein on behalf of each such person; and (ii) it is and will remain liable to the Company and/or the Banks for the performance of all its obligations as a Placee in respect of the Placing (regardless of the fact that it is acting for another person);
- 20 that it understands that any investment or investment activity to which the Announcement relates is available only to Relevant Persons (as defined above) in the United Kingdom, Qualified Investors (as defined above) in any member state of the EEA and Wholesale Investors (as defined above) in Australia and will be engaged in only with such persons, and further understands that the Announcement must not be acted on or relied on by persons who are not Relevant Persons in the United Kingdom, Qualified Investors in any member state of the EEA or Wholesale Investors in Australia;
- 21 if it is a person in a member state of the EEA that it is a Qualified Investor (as defined above) and, to the extent applicable, any funds on behalf of which it is acquiring the Placing Shares that are located in a member state of the EEA are each themselves such a Qualified Investor;
- 22 if in the United Kingdom, that it is a Relevant Person (as defined above) and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
- 23 if in Australia, that:
 - a) the Placee is a Wholesale Investor (as defined above);
 - b) no prospectus, product disclosure statement, offering memorandum or other form of disclosure document has been prepared for lodgement or will be lodged with the Australian Securities and Investments Commission in connection with the Placing or the Placing Shares;
 - c) the Company has not taken any action and will not take any action to satisfy the criteria required under the Corporations Act to permit the Placee or any other person to transfer and on-sell the Placing Shares in Australia without restriction following allotment of the Placing Shares;
 - d) the Company is not issuing or transferring (as applicable) the Placing Shares with the purpose of the Placee or any other person selling or transferring them, or granting, issuing or transferring interests in, or options or warrants over, them;
 - e) the Placee is not acquiring the Placing Shares with the purpose of selling or transferring them, or granting, issuing or transferring interests in, or options or warrants over, them;

- f) any Placing Shares applied for by persons in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the Placing, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act;
 - g) the Placee is not a related party of the Company within the meaning of section 228 of the Corporations Act;
 - h) the Placee is in compliance with the requirements (subject to any applicable exemptions or modifications) of the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (Cth) and the *Criminal Code Amendment (Bribery of Foreign Public Officials) Act 1999* (Cth) and with the requirements (subject to any applicable exemptions or modifications) of any equivalent laws and regulations (including anti-money laundering and counter-terrorism financing laws and regulations) in the jurisdictions in which the Placee is incorporated or carries on business, in each case, to the extent that those laws and regulations apply to the Placee's participation in the Placing;
 - i) the Placee is not (and is not acting for) a person that is or is owned or controlled by a person that is the subject of any sanctions administered or enforced by the Australian Government Department of Foreign Affairs and Trade or any other relevant sanctions authority; and
 - j) the Placee is an "institutional investor" for the purposes of paragraph 1(A) of the class no-action letter issued by ASIC on 2 February 2024 in respect of sections 12BF(2A) and (2C) of the *Australian Securities and Investments Commission Act 2001* (Cth) and sections 912A(1)(c) and 912D(1) of the Corporations Act (available at https://www.afma.com.au/getattachment/Standards/Standard-Documentation/Sections/Content/20240202_FINAL-Class-UCT-No-action-letter.pdf?lang=en-AU) as amended or updated from time to time, as applicable;
- 24 if a financial intermediary, as that term is used in Article 2(d) of the EU Prospectus Regulation or Regulation 7(4) of the POATR, that the Placing Shares purchased by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a member state of the EEA other than Qualified Investors or persons in the United Kingdom other than Relevant Persons, or in circumstances in which the prior consent of the Banks has been given to the offer or resale;
- 25 that it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom prior to Admission, except to Relevant Persons or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of Regulation 7 of the POATR;
- 26 that it has not offered or sold and will not offer or sell any Placing Shares to persons in the EEA prior to Admission except to Qualified Investors or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the EEA within the meaning of the EU Prospectus Regulation;
- 27 that it has not offered or sold and will not offer or sell any Placing Shares to persons in Australia in circumstances which contravene Part 6D.2 of the Corporations Act;
- 28 that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to the Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person;
- 29 that it has complied and will comply with all applicable laws with respect to anything done by it in relation to the Placing Shares (including all relevant provisions of the FSMA in the United Kingdom);

30 if it is resident in Canada:

- i. it understands that the offering of the Placing Shares is being made on a private placement basis only in the provinces of Ontario, Alberta, British Columbia and Quebec (the "Canadian Private Placement Provinces") on a basis exempt from the requirement that the Company prepare and file a prospectus with the relevant securities regulatory authorities in Canada and as such, any resale of the Placing Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws;
- ii. it is resident in one of the Canadian Private Placement Provinces;
- iii. it is purchasing the Placing Shares as principal, or is deemed to be purchasing as principal in accordance with applicable Canadian securities laws, for investment only and not with a view to resale or redistribution;
- iv. it is not an individual;
- v. it is an "accredited investor" as such term is defined in section 1.1 of National Instrument 45-106 Prospectus Exemptions, or, in Ontario, as such term is defined in section 73.3(1) of the Securities Act (Ontario), as applicable;
- vi. it is a "permitted client" as such term is defined in section 1.1 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations;
- vii. it understands the Company is not a "reporting issuer", as such term is defined under applicable Canadian securities legislation, in any province or territory of Canada, its securities are not listed on any stock exchange in Canada and there is currently no public market for the Placing Shares in Canada. It further understands the Company currently does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Placing Shares to the public in any province or territory of Canada or listing its securities on any stock exchange in Canada and therefore, there will be no public market in Canada for the Placing Shares;
- viii. it understands that any resale of the Placing Shares acquired by it in the Placing must be made in accordance with applicable Canadian securities laws, which may vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with Canadian prospectus requirements, a statutory exemption from the prospectus requirements, in a transaction exempt from the prospectus requirements or otherwise under a discretionary exemption from the prospectus requirements granted by the applicable local Canadian securities regulatory authority and that these resale restrictions may under certain circumstances apply to resales of the Placing Shares outside of Canada;
- ix. it understands that information regarding the Placing and the Placing Shares has not been prepared with regard to matters that may be of particular concern to Canadian Placees and accordingly, should be read with this in mind. It further understands, the Placing Shares are not denominated in Canadian dollars. Therefore, the value of the Placing Shares to a Canadian Placee will fluctuate with changes in the exchange rate between the Canadian dollar and the currency of the Placing Shares;
- x. to the best of its knowledge, none of the funds to be provided by or on behalf of it for subscription to the Company or its agents are being tendered on behalf of a person or entity who has not been identified to it;
- xi. it understands that for purposes of compliance with Canada's Anti-Spam Legislation, by submitting a bid and/or participating in the Placing is considered consent to receive communications from the Company and its representatives and that such communications will contain the appropriate instructions for opting out of future communications;

- xii. it understands securities legislation in the Canadian Private Placement Provinces may provide it with remedies for rescission or damages if materials regarding the Placing delivered to it contains a misrepresentation, provided that the remedies for rescission or damages are exercised by it within the time limit prescribed by the securities legislation of its province of residence. It further understands it should refer to any applicable provisions of the securities legislation of its province of residence for particulars of these rights or consult with a legal advisor;
 - xiii. it acknowledges that the Company or its representatives may be required to file reports of exempt distribution with Canadian securities regulatory authorities and consents to the collection, use and disclosure of personal information (including its name, address, telephone number, email address and details of its investment) for such purposes; and
 - xiv. if resident in Quebec, it acknowledges that it has expressly requested that all documents relating to the Placing and the Placing Shares be drawn up in the English language only. Si résidant au Québec, le souscripteur reconnaît avoir expressément exigé que tous les documents se rapportant à la présente opération soient rédigés en anglais seulement.
- 31 that it and any person acting on its behalf is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions and that it has all necessary capacity and has obtained all necessary consents and authorities to enable it to commit to this participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Appendix) and will honour such obligations;
- 32 that it (and any person acting on its behalf) has the funds available to pay for, and will make payment in respect of the Placing Shares allocated to it, in accordance with this Appendix on the due time and date set out herein (unless otherwise agreed), failing which the relevant Placing Shares may be placed with other acquirers or sold as the Banks may in their sole discretion determine and without liability to such Placee, who will remain liable for any amount by which the net proceeds of such sale falls short of the product of the Issue Price and the number of Placing Shares allocated to it and may be required to bear any stamp duty, stamp duty reserve tax or other similar taxes (together with any interest, fines or penalties) which may arise upon the sale of such Placee's Placing Shares;
- 33 that it (and any person acting on its behalf) is entitled to purchase the Placing Shares under the laws of all relevant jurisdictions which apply to it and that it has fully observed such laws and obtained all such governmental and other guarantees, permits, authorisations, approvals and consents which may be required thereunder and complied with all necessary formalities and that it has not taken any action or omitted to take any action which will or may result in the Banks, the Company or any of their respective affiliates, directors, officers, agents, employees or advisers of any of them acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Placing;
- 34 that none of the Banks, nor any of their respective affiliates, nor any person acting on behalf of them, is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of any Bank or any of their respective affiliates and that the Banks and any of their respective affiliates have no duties or responsibilities to it for providing the protections afforded to its respective clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of the Banks' rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
- 35 that the person whom it specifies as the person to whom the Placing Shares are allocated will be: (i) itself; (ii) its nominee, as the case may be; or (iii) a person for whom it is contracting as agent or nominee. None of the Banks, any of their respective affiliates or the Company will be responsible for any liability to stamp duty or stamp duty reserve tax or other similar taxes (together with any interest, fines or penalties) resulting from a failure to observe this requirement ("Indemnified Taxes"). Each Placee and any person acting on behalf of such Placee agrees to participate in the Placing and it

agrees to indemnify the Company, the Banks and their respective affiliates on an after-tax basis in respect of any Indemnified Taxes;

- 36 that any agreements entered into by it pursuant to the terms and conditions set out in this Appendix, and all non-contractual or other obligations arising out of or in connection with them, shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract (including any dispute regarding the existence, validity or termination of such contract or relating to any non-contractual or other obligation arising out of or in connection with such contract), except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by either the Company or the Banks in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;
- 37 to indemnify on an after tax basis and hold the Company, the Banks and their respective affiliates, directors, officers, employees or agents of any of them harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing;
- 38 that if it has received any inside information about the Company in advance of the Placing, it has not: (i) dealt in the securities of the Company; (ii) encouraged another person to deal in the securities of the Company; or (iii) disclosed such information to any person except as permitted by applicable law, prior to such information being made publicly available;
- 39 that the Placing Shares are expected to be issued to it through CREST;
- 40 where it is acquiring the Placing Shares for one or more managed accounts, that it is authorised in writing by each managed account to acquire the Placing Shares for each managed account and it has full power to make the acknowledgements, representations and agreements herein on behalf of each such account;
- 41 if it is a pension fund or investment company, that its purchase of Placing Shares is in full compliance with applicable laws and regulations; and
- 42 that the Company, the Banks and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to each Bank on its own behalf and on behalf of the Company and are irrevocable.

The agreement to settle a Placee's acquisition of Placing Shares (and/or the acquisition by a person for whom such Placee is contracting as agent or nominee) free of UK stamp duty and stamp duty reserve tax depends on the settlement relating only to an acquisition by it and/or such person for whom it is contacting as agent or nominee direct from the Company for the Placing Shares in question. Such agreement also assumes that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to issue or transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement relates to any other dealing in the Placing Shares, stamp duty or stamp duty reserve tax or other similar taxes may be payable, for which neither the Company nor the Banks nor their respective affiliates will be responsible and the Placees shall indemnify the Company, the Banks and their respective affiliates on an after-tax basis for any stamp duty or stamp duty reserve tax paid by them in respect of any such arrangements or dealings. If this is the case, each Placee should seek its own advice and notify the Banks accordingly.

In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire any Placing Shares.

Each Placee, and any person acting on behalf of the Placee, acknowledges that the Banks and their respective affiliates do not owe any fiduciary or other duties to any Placee in respect of any acknowledgments, confirmations, representations, warranties, undertakings or indemnities in the Placing Agreement.

Each Placee and any person acting on behalf of the Placee acknowledges and agrees that any Banks or any of their affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares.

When a Placee or person acting on behalf of the Placee is dealing with a Bank, any money held in an account with such Bank on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FCA made under the FSMA. Each Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from such Bank's money in accordance with the client money rules and will be used by such Bank in the course of its own business and the Placee will rank only as a general creditor of such Bank.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

The rights and remedies of the Banks and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

All times and dates in the Announcement may be subject to amendment. The Banks shall notify the Placees and any person acting on behalf of the Placees of any changes.

APPENDIX V

HISTORICAL FINANCIAL INFORMATION OF THE ECI GROUP

ECI, via two further holding companies in its corporate structure, is the parent company of Energy Holdings (Cayman) Ltd (“**Energy Holdings**”), which is the entity within the ECI Group at which level ECI’s consolidated financial statements were prepared and audited before the ECI Acquisition. ECI, together with Energy TopCo Ltd and Energy MidCo Ltd (the “**ECI Excluded Entities**”), was incorporated in connection with the acquisition by Cerberus of the ECI Group in 2018, solely for the purpose of holding the equity interests in Energy Holdings and its subsidiaries. The ECI Excluded Entities have not traded since their incorporation and have engaged in limited activity other than ordinary course corporate actions and filings connected with their ownership of the ECI Group. Therefore, the historical financial information referred to below relates to Energy Holdings and its subsidiaries rather than ECI and its subsidiaries, and therefore excludes any historical financial information in respect of the ECI Excluded Entities.

The unaudited consolidated condensed financial information for Energy Holdings and its subsidiaries for the six months ended 30 June 2025 is set out in this Appendix V (*Historical Financial Information of The ECI Group*). The audited consolidated financial statements for Energy Holdings and its subsidiaries for the years ended 31 December 2022, 31 December 2023 and 31 December 2024 are set out in the June 2025 Admission Document.

The financial information relating to the ECI Group set out in this Appendix V (*Historical Financial Information of the ECI Group*) has not been subject to audit or review by the Company’s or ECI’s auditors. Accordingly, investors are cautioned not to place undue reliance on this information.

Energy Holdings has historically prepared its consolidated financial statements in accordance with US generally accepted accounting principles (“**US GAAP**”) and, unless otherwise indicated, the financial information prepared at the Energy Holdings level set out in this Appendix V (*Historical Financial Information of the ECI Group*) has been prepared under US GAAP. However, there are limited differences between the US GAAP accounts presented in this Appendix and any conversion of this financial information under IFRS. Investors are directed to the *Summary of key differences between US GAAP and IFRS* relating to the ECI Group which was set out in the June 2025 Admission Document. The Group currently prepares its financial information under IFRS.

Unaudited consolidated condensed financial information of Energy Holdings and its subsidiaries for the six months ended 30 June 2025

ENERGY HOLDINGS (CAYMAN) LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME/(LOSS)

(Dollars in thousands)

Unaudited six month period ended June 30

	2025	2024
Net Sales	\$ 617,209	\$ 662,268
Operating expenses:		
Cost of goods sold, exclusive of items shown separately below	466,500	518,806
Selling, general and administrative	48,451	53,401
Depreciation	11,788	14,074
Amortization of intangibles	29,361	28,009
Acquisition expenses	774	1,810
Restructuring changes	5,139	3,701
Operating income	55,196	42,467
Other expenses:		
Interest expense, net	58,880	51,513
Loss on early extinguishment of debt	-	12,740
Other expenses	6,043	8,989
Loss before income taxes	(9,727)	(30,775)
Income tax expense	2,575	4,562
Net loss	\$ (12,302)	\$ (35,337)
Other comprehensive income/(loss), net of tax:		
Gain/(loss) from hedging activities	82,584	(59,807)
Gain/(loss) from foreign currency translation	(798)	(243)
Gain from pension plan	-	-
	81,786	(60,050)
Comprehensive income/(loss)	69,484	(95,387)

ENERGY HOLDINGS (CAYMAN) LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in thousands)

	Unaudited six month period ended June 30	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (12,302)	\$ (35,337)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	41,150	42,083
Deferred taxes	11,611	(2,316)
Amortization of debt discounts and fees	3,990	4,702
Loss on early extinguishment of debt	-	12,740
Stock-based compensation expense	684	811
Loss on disposal of property, plant and equipment	715	483
Changes in operating assets and liabilities:	(44,930)	(11,641)
Net cash provided by operating activities:	918	11,525
Cash flows from investing activities:		
Acquisitions, net of cash acquired	-	(46,780)
Capital expenditures	(8,220)	(8,185)
Net cash used in investing activities:	(8,220)	54,965
Cash flows from financing activities:		
Proceeds from term loans, net of discount	-	929,040
Proceeds from note payable	-	5,000
Repayment of term loans	(4,740)	(890,130)
Draws on revolving credit facility, net of discount	15,000	23,000
Debt issuance costs	-	(19,038)
Net borrowing (repayment) of foreign debt	5	(26)
Principal payments on finance leases	(32)	(116)
Net cash used in financing activities:	10,233	47,730
Effect of exchange rate changes on cash and cash equivalents	(157)	(151)
Net change in cash and cash equivalents	2,774	4,139
Cash and cash equivalents, beginning of period	44,742	29,624
Cash and cash equivalents, end of period	\$ 47,516	\$ 33,763

ENERGY HOLDINGS (CAYMAN) LTD.

CONSOLIDATED BALANCE SHEETS

<i>(Dollars in thousands)</i>	Unaudited June 30, 2025	Audited December 31, 2024
Cash and cash equivalents	\$ 47,215	\$ 44,441
Restricted cash	301	301
Accounts receivable, net	177,834	158,369
Inventories	235,630	230,311
Prepaid expenses and other current assets	56,377	42,298
Total current assets	<u>517,357</u>	<u>475,720</u>
Property, plant and equipment, net	64,089	65,789
Goodwill and intangibles, net	660,790	686,095
Lease right of use assets	48,366	49,456
Other assets	37,587	23,896
Total assets	<u>\$ 1,328,189</u>	<u>\$ 1,300,956</u>
Accounts payables	\$ 193,038	\$ 182,283
Current maturities of long-term debt	9,490	9,516
Lease liabilities, short-term	8,311	8,536
Accrued and other current liabilities	70,838	115,937
Total current liabilities	<u>281,677</u>	<u>316,272</u>
Long-term debt, less current maturities	947,993	934,327
Lease liabilities, long-term	43,238	43,699
Other non-current liabilities	70,102	91,609
Total liabilities	<u>1,343,010</u>	<u>1,385,907</u>
Stockholder's equity	<u>(14,821)</u>	<u>(84,951)</u>
Total liabilities and stockholder's equity	<u>\$ 1,328,189</u>	<u>\$ 1,300,956</u>

APPENDIX VI

HISTORICAL FINANCIAL INFORMATION RELATING TO THE TARGET GROUPS

MW Components Group

The consolidated financial statements relating to the MW Components Group included in this announcement are prepared at the Helix Acquisition Holdings, Inc. level rather than at the MW Components level and therefore exclude two entities, MW Components and ASP MWI Intermediate Holdings, Inc. (together, the “**MW Components Excluded Entities**”) that are being acquired but sit outside the perimeter at which consolidated financial statements have been prepared for the financial years ended 31 December 2023, 2024 and 2025.

Rosebank understands that the MW Components Excluded Entities are holding companies, with no activity and hence financial statements are not available.

The audited consolidated financial statements for the financial years ended 31 December 2023, 31 December 2024 and 31 December 2025 for Helix Acquisition Holdings, Inc and its subsidiaries are set out in section A of this Appendix VI (*Historical Financial Information relating to the Target Groups*).

CPM Group

During the financial year ended 30 September 2025, a restructuring was undertaken to ensure that all trading entities sat beneath CPM Holdings, Inc. (“**CPM Holdings**”) within the CPM Group structure. As part of this process, certain trading entities previously held by the CPM Seller were transferred down the group to CPM Holdings, all under common control of the CPM Seller. Rosebank intends to acquire CPM, which is an intermediate holding company between the CPM Seller and CPM Holdings.

Prior to the restructuring, the audited consolidated financial statements for the years ended 30 September 2023 and 30 September 2024 were prepared at the CPM Seller level. Following the restructuring, the audited consolidated financial statements for the year ended 30 September 2025 (which include comparative financial information for the year ended 30 September 2024) were prepared at the CPM Holdings level.

The audited consolidated financial statements for CPM Holdings included in this announcement for the financial year ended 30 September 2025 excludes two entities, ASP CPM Intermediate Holdings, Inc. and CPM (together, the “**CPM Excluded Entities**”), that are being acquired.

Financial statements have not been prepared for the CPM Excluded Entities, but the accounting records of these entities primarily comprise net interest expense incurred on intercompany balances and on external debt. The external debt, totalling \$109 million was drawn down by CPM in December 2024; and it is expected to be repaid upon Transaction Completion and replaced with Rosebank’s new facilities.

With respect to the audited consolidated financial statements for the years ended 30 September 2023 and 30 September 2024, the financial statements were prepared at the CPM Seller level and include the full financial information relevant to the Transaction perimeter to provide a complete view of the historical financial performance and position of the CPM business being

acquired. The only entity included in the CPM Seller consolidated financial statements that is not in the acquisition perimeter is the CPM Seller itself.

The principal item at the CPM Seller level that does not relate to the Transaction perimeter is the series A preferred units issued by the CPM Seller ("**Series A Preferred Units**"). The Series A Preferred Units are expected to be unwound prior to Transaction Completion.

The audited consolidated financial statements for the financial years ended 30 September 2023 and 30 September 2024 for the CPM Seller and its subsidiaries and for the financial year ended 30 September 2025 for CPM Holdings and its subsidiaries are set out in section B of this Appendix VI (*Historical Financial Information relating to the Target Groups*).

Target Groups

Each of the CPM Group and the MW Components Group has historically prepared its consolidated financial statements in accordance with US generally accepted accounting principles ("**US GAAP**") and, unless otherwise indicated, the financial information prepared in relation to the MW Components Group set out in section A of this Appendix VI (*Historical Financial Information relating to the Target Groups*) and in relation to the CPM Group set out in section B of this Appendix VI (*Historical Financial Information relating to the Target Groups*) has been prepared under US GAAP. As at the date of this announcement, the Directors have not had sufficient access to the accounting records of either the MW Components Group or the CPM Group in order to prepare a complete reconciliation of the US GAAP accounts to IFRS. However, the Directors believe that there are limited differences between the US GAAP accounts presented in sections A and B of this Appendix VI (*Historical Financial Information relating to the Target Groups*) and any conversion of this financial information under IFRS. Rosebank currently prepares its financial information under IFRS and (assuming Transaction Completion occurs) the Enlarged Group will continue to do so immediately post-Transaction Completion. These differences are listed in Section D of this Appendix VI (*Historical Financial Information relating to the Target Groups*).

Section C of this Appendix VI (*Historical Financial Information relating to the Target Groups*) contains adjusted consolidated financial information based on certain alternative performance measures for the Target Groups on a combined basis for the years ended 31 December 2023, 31 December 2024 and 31 December 2025 in respect of the MW Components Group and 30 September 2023, 30 September 2024 and 30 September 2025 in respect of the CPM Group.

Non-US GAAP financial measures in connection with the Target Groups

This announcement contains certain Non-GAAP Measures, including EBITDA, Adjusted EBITDA, Adjusted Operating Profit and Adjusted Net Revenue that are not required by, or presented in conformity with, US GAAP.

Management uses these measures to evaluate the operating performance of the Target Groups and believes that these measures could be helpful to investors as a means of evaluating the Target Groups' performance. However, these Non-GAAP Measures are not accounting measures of operating performance under US GAAP, or any other generally accepted accounting principles. The Non-GAAP Measures are each defined below:

The Non-GAAP Measures are each defined below:

- “**EBITDA**” is defined as net income adjusted for interest, tax, depreciation and amortisation;
- “**Adjusted EBITDA**” is defined as EBITDA before the impact of the “**Adjusting Items**”;
- “**Adjusted Operating Profit**” is defined as net income adjusted for interest, tax, amortisation of intangibles and before the impact of the “Adjusting Items”; and
- “**Adjusted Net Revenue**” is defined as revenue before the impact of the “**Adjusting Items**”.

Certain of the financial measures above are calculated on an adjusted basis. “Adjusting Items” include those items presented in section C of this Appendix VI (*Historical Financial Information relating to the Target Groups*). The presentation of financial measures on an adjusted basis is not in conformity with US GAAP or any other generally accepted accounting principles. Non-GAAP Measures are based on available information and certain assumptions and estimates that management views as reasonable in the current circumstances. However, these assumptions and estimates are inherently uncertain, subject to a wide variety of significant business, economic and other risks and may differ materially from the actual financial condition or results of operations of the Target Groups. Management cautions that Non-GAAP Measures have not been audited or reviewed by independent auditors and should not be regarded as an indication, forecast or representation by management or any other person regarding the financial performance of the Target Groups.

Reconciliations of each of the Non-GAAP Measures to the most directly comparable measure prepared in accordance with US GAAP are presented in section C of this Appendix VI (*Historical Financial Information relating to the Target Groups*).

You should not consider such measurements as superior to, or substitutes for, operating profit or profit before tax (determined in accordance with US GAAP) as a measure of the Target Groups’ operating performance. Non-GAAP Measures presented in this announcement may not be comparable to other similarly titled measures used by other companies.

Accordingly, investors should exercise caution in comparing the Non-GAAP Measures to similarly titled measures as reported by other companies. Non-GAAP Measures have limitations as analytical tools and investors should not consider them in isolation, or as substitutes for an analysis of the results of the Target Groups under US GAAP. You should compensate for these limitations by relying primarily on the results of the Target Groups under US GAAP and use Non-GAAP Measures and other relevant information only supplementally to evaluate the performance of the Target Groups.

**Section A— Audited consolidated financial statements of Helix Acquisition Holdings, Inc
and its subsidiaries for the financial years ended 31 December 2023, 31 December 2024
and 31 December 2025**

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	<u>9,624</u>
Current liabilities	<u>874</u>
Total liabilities	<u>874</u>
Net assets acquired	<u>8,750</u>

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	<u>31,213</u>
Current liabilities	<u>299</u>
Total liabilities	<u>299</u>
Net assets acquired	<u>30,914</u>

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	\$ 216,022	\$ 274,107

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	\$ 53,766	\$ 3,600	\$ 57,366

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	\$ 25,813	\$ 882
Total	\$ 216,022	\$ 3,600

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	<u>(582)</u>	<u>(447)</u>
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	<u>(310)</u>	<u>612</u>
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.

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)

	2025	2024
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	3,224	4,205
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	56,766	57,366
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	558	572
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	456	1,285
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	(529,590)	(431,944)
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
		<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.

Section B— Audited consolidated financial statements of (i) CPM Holdings for the year ended 30 September 2025 and (ii) the CPM Seller and its subsidiaries for the years ended 30 September 2023 and 30 September 2024.



CPM Holdings, Inc. and Subsidiaries

**Consolidated Financial Statements
September 30, 2025 and 2024**

CPM Holdings, Inc. and Subsidiaries

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September 30, 2025 and 2024

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Report of Independent Auditors

To the Board of Directors and Management of
CPM Holdings, Inc.

Opinion

We have audited the accompanying consolidated financial statements of CPM Holdings, Inc. and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of September 30, 2025 and 2024, and the related consolidated statements of operations, comprehensive loss, changes in stockholder's deficit and cash flows for the years then ended, including the related notes (collectively referred to as 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 September 30, 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 audit 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated 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 available to be issued.





Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

PricewaterhouseCoopers LLP

January 9, 2026

CPM Holdings, Inc. and Subsidiaries
Consolidated Balance Sheets
Years Ended September 30, 2025 and 2024

<i>(dollars in thousands, except per share information)</i>	2025	2024
Assets		
Current assets		
Cash and cash equivalents	\$ 19,977	\$ 21,018
Restricted customer deposits	2,696	1,282
Accounts receivable, net	76,681	93,220
Inventories	130,449	127,528
Contract assets	19,898	23,490
Prepaid expenses and other current assets	44,161	37,591
Total current assets	293,862	304,129
Property, plant and equipment, net	104,808	85,008
Lease right-of-use asset	27,122	31,277
Goodwill	700,274	663,455
Other intangibles, net	363,091	367,587
Other assets	2,083	2,768
Deferred taxes	233	572
Total assets	\$ 1,491,473	\$ 1,454,796
Liabilities and Stockholder's Deficit		
Current liabilities		
Current portion of long-term debt	\$ 12,150	\$ 13,973
Current portion of lease liability	3,057	3,792
Accounts payable	83,705	72,030
Accrued expenses	49,766	41,512
Customer progress payments	45,378	45,102
Contract liabilities	56,409	95,311
Total current liabilities	250,465	271,720
Long-term debt, less current portion	1,158,731	1,167,514
Lease liability, less current portion	24,977	28,378
Deferred taxes	71,452	74,644
Other liabilities	5,915	7,510
Total liabilities	1,511,540	1,549,766
Commitments and contingencies (Note 8)	-	-
Stockholder's deficit		
Common stock, \$.01 par value, authorized shares 1,000; shares issued and outstanding 100 as of September 30, 2025, and 2024, respectively		
Additional paid-in capital	724,872	614,375
Accumulated deficit	(710,904)	(671,005)
Accumulated other comprehensive loss	(34,035)	(38,340)
Total stockholder's deficit	(20,067)	(94,970)
Total liabilities and stockholder's deficit	\$ 1,491,473	\$ 1,454,796

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

CPM Holdings, Inc. and Subsidiaries
Consolidated Statements of Operations
Years Ended September 30, 2025 and 2024

<i>(dollars in thousands)</i>	2025	2024
Net sales	\$ 697,058	\$ 647,030
Cost of goods sold	<u>433,509</u>	<u>397,667</u>
Gross profit	<u>263,549</u>	<u>249,363</u>
Operating expenses		
Selling, general and administrative expenses	131,585	104,780
Amortization expense	43,425	42,515
Management fees	<u>2,066</u>	<u>2,154</u>
Total operating expenses	<u>177,076</u>	<u>149,449</u>
Income from operations	<u>86,473</u>	<u>99,914</u>
Other expense (income)		
Interest expense	116,543	132,459
Interest income	<u>(301)</u>	<u>(551)</u>
Total other expense	<u>116,242</u>	<u>131,908</u>
Loss before income taxes	(29,769)	(31,994)
Income tax expense	<u>10,130</u>	<u>3,061</u>
Net loss	<u>\$ (39,899)</u>	<u>\$ (35,055)</u>

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

CPM Holdings, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Loss
Years Ended September 30, 2025 and 2024

<i>(dollars in thousands)</i>	2025	2024
Net loss	\$ (39,899)	\$ (35,055)
Other comprehensive loss		
Foreign currency translation adjustments (net of income tax of \$742 and \$221)	<u>4,305</u>	<u>16,936</u>
Comprehensive loss	<u>\$ (35,594)</u>	<u>\$ (18,119)</u>

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

CPM Holdings, Inc. and Subsidiaries
Consolidated Statements of Changes in Stockholder's Deficit
Years Ended September 30, 2025 and 2024

<i>(dollars in thousands)</i>	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Stockholder's Deficit
	Shares	Amount				
Balances at September 30, 2023	100	\$ -	\$ 608,838	\$ (635,950)	\$ (55,276)	\$ (82,388)
Stock-based compensation	-	-	5,478	-	-	5,478
Capital contributions	-	-	250	-	-	250
Repurchase of member units	-	-	(191)	-	-	(191)
Net loss	-	-	-	(35,055)	-	(35,055)
Foreign currency translation adjustments	-	-	-	-	16,936	16,936
Balances at September 30, 2024	100	-	614,375	(671,005)	(38,340)	(94,970)
Stock-based compensation	-	-	1,497	-	-	1,497
Capital contributions	-	-	109,000	-	-	109,000
Net loss	-	-	-	(39,899)	-	(39,899)
Foreign currency translation adjustments	-	-	-	-	4,305	4,305
Balances at September 30, 2025	100	\$ -	\$ 724,872	\$ (710,904)	\$ (34,035)	\$ (20,067)

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

CPM Holdings, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended September 30, 2025 and 2024

(dollars in thousands)

	2025	2024
Cash flows from operating activities		
Net loss	\$ (39,899)	\$ (35,055)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortization of property, plant and equipment	18,437	14,199
Amortization of intangible assets	43,425	42,515
Amortization of original issue discount and debt issuance costs	6,383	5,873
Noncash lease expense	21	122
Stock-based compensation expense	1,497	5,478
Provision for bad debts	1,196	918
(Gain)/loss on disposals of property, plant and equipment	1,291	(1,918)
Loss on disposal of investment in subsidiaries	438	-
Change in interest rate swap	1,925	15,012
Deferred income tax benefit	(16,240)	(16,256)
Foreign currency exchange loss (gain)	584	(13,797)
Changes in operating assets and liabilities, net of acquisitions		
Accounts receivable	20,074	16,058
Inventories	8,067	2,790
Contract assets	3,945	12,720
Prepaid expenses and other current assets	(9,339)	5,275
Accounts payable	9,845	(4,527)
Accrued expenses and other liabilities	8,097	(22,279)
Customer progress payments	(1,579)	(8,673)
Contract liabilities	(38,310)	(9,601)
Net cash provided by operating activities	<u>19,858</u>	<u>8,854</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(11,587)	(16,037)
Proceeds on sales of property, plant and equipment	1,805	2,953
Proceeds on disposal of investment in subsidiaries	1,000	-
Acquisition of Jacobs, net of cash acquired	(102,521)	-
Acquisition of Graf, net of cash acquired	-	(4,080)
Net cash used in investing activities	<u>(111,303)</u>	<u>(17,164)</u>

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

CPM Holdings, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended September 30, 2025 and 2024

<i>(dollars in thousands)</i>	2025	2024
Cash flows from financing activities		
Payments of long-term debt	(12,257)	(9,354)
Proceeds from revolving debt	165,547	116,512
Payments of revolving debt	(170,267)	(113,488)
Repayment of equity investment	-	(191)
Proceeds from capital contributions	109,000	250
Payments of accrued deferred purchase price	-	1,220
Net cash provided by financing activities	<u>92,023</u>	<u>(5,051)</u>
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	<u>(205)</u>	<u>(3,106)</u>
Net decrease in cash, cash equivalents and restricted cash	373	(16,467)
Cash, cash equivalents and restricted cash		
Beginning of year	<u>22,300</u>	<u>38,767</u>
End of year	<u>\$ 22,673</u>	<u>\$ 22,300</u>
Reconciliation of cash and restricted cash reported in the statement of cash flows		
Cash	\$ 19,977	\$ 21,018
Restricted customer deposits	<u>2,696</u>	<u>1,282</u>
Total cash and restricted cash shown in the statement of cash flows	<u>\$ 22,673</u>	<u>\$ 22,300</u>
Supplemental information		
Cash paid for interest	\$ 107,971	\$ 102,229
Cash paid for taxes (net of refunds)	14,465	23,004
Noncash investing transaction		
Acquisition of Graf, accrued contingent deferred purchase price	\$ -	\$ 2,128

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

CPM Holdings, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2025 and 2024

1. Description of Business

CPM Holdings, Inc. (the “Company” or “CPM”) is engaged in the design, production and marketing of high-quality, efficient, durable process systems, equipment and after-market parts and services. CPM manufactures and sells process equipment and parts to the agricultural, food producing/processing, plastics compounding, two-piece beverage container, industrial griddle and other industries. CPM sells engineered process systems consisting of engineering services, design and layout services along with outsourced process equipment for the oilseed processing, biodiesel and edible oil refining and other industries.

Operations are worldwide and include production and sales facilities in the United States, Canada, the Netherlands, United Kingdom, Germany, Italy, Singapore, Taiwan, China, Brazil and Argentina.

2. Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Significant intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

Cash equivalents consist of short-term investments with an original maturity of three months or less at the time of purchase. The Company maintains cash deposits with major banks which from time to time may exceed federally insured limits. The Company periodically assesses the financial institutions and believes that the risk of any loss is minimal.

Restricted Customer Deposits

Approximately \$2,696 and \$1,282 of cash of the Company’s subsidiaries in Europe, Asia and North America is restricted at September 30, 2025 and 2024, respectively. This primarily represents deposits made by customers on orders being manufactured. Generally, the cash restriction is removed when the order is shipped.

Accounts Receivable and Concentration of Credit Risk

Concentrations of credit risk with respect to trade receivables are limited due to the number of customers and their geographical dispersion. The Company performs initial and ongoing credit evaluations of its customers, generally does not require collateral, and maintains allowances for potential credit losses. The allowance is an estimate and is regularly evaluated by the Company for adequacy. The establishment of allowance for credit losses and related bad debt expense is based on historical loss experience, credit quality of the customer base, age of the receivable balances, both individually and in the aggregate, current economic conditions that may affect a customer’s ability to pay, estimated exposure on specific trade receivables and supportable forecasts not already reflected in the historical loss information. If the financial condition of the Company’s customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Inventories

Inventories consist of finished goods, work in process and raw materials, and are stated at the lower of cost or net realizable value with cost determined on the first-in, first-out (“FIFO”) method. The establishment of write downs for excess and obsolete inventories is based on historical usage and estimated exposure on specific inventory items.

CPM Holdings, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2025 and 2024

Property, Plant and Equipment

Property, plant and equipment is stated at cost or at its fair value when acquired as part of a business combination. Depreciation is computed by using the straight-line method over the estimated remaining useful lives of the assets ranging from 3 to 20 years. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or estimated useful life of the asset.

Property, plant and equipment are subject to depreciation having been assigned an estimated useful life as follows:

Buildings and improvements	20 years
Machinery and equipment	3 to 7 years
Furniture and fixtures	5 to 7 years

Expenditures for maintenance and repairs and minor renewals and betterments which do not improve or extend the life of the respective assets are expensed as incurred. All other expenditures for renewals and betterments are capitalized. The assets and related depreciation and amortization accounts are adjusted for property retirements and disposals with the resulting gain or loss included in operations.

Leases

Leases are accounted for using a right-of-use model that requires a lessee to recognize a right-of-use asset and lease liability on the balance sheet for all leases with a term longer than 12 months. The Company determines if an arrangement is a lease at inception. Lease right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Lease right-of-use assets and lease liabilities for leases are recognized at the lease commencement date based on the present value of lease payments over the lease term. In determining the present value of lease payments, the Company uses the Treasury Risk-Free Rate of Return. Lease right-of-use assets also include any lease payments made at or before the lease commencement date and are reduced by any lease incentives received. The Company's lease terms may include options to extend or not terminate the lease when it is reasonably certain that it will exercise any such options. For the majority of its leases, the Company concluded that it is not reasonably certain that any renewal options would be exercised, and therefore, the amounts are not recognized as part of lease right-of-use assets and lease liabilities. Leases with an initial term of 12 months or less are not recorded on the Consolidated Balance Sheets. Lease expense is recognized on a straight-line basis over the expected lease term.

The Company's most significant leases are real estate leases and office space. Only the lease components are included in the measurement of the lease right-of-use assets and related lease liabilities.

Fixed lease expense payments are recognized on a straight-line basis over the lease term. Variable lease payments vary because of changes in facts or circumstances occurring after the commencement date, other than the passage of time. Certain of the Company's operating lease agreements include variable payments that are passed through by the landlord, such as insurance, taxes, common area maintenance, and payments based on the usage of the asset. Variable payments are expensed as incurred.

CPM Holdings, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2025 and 2024

The Company's lease agreements do not contain material residual value guarantees, restrictions, or covenants.

Intangible Assets

Identifiable finite-lived intangible assets consist of trademarks, developed technology, customer relationships and other intangible assets which were purchased independently or recorded as part of acquisitions. These intangible assets are being amortized over their estimated useful lives using straight-line or accelerated amortization methods to reflect an appropriate allocation of the costs of the intangible assets to earnings in proportion to the amount of economic benefits obtained by the Company in each reporting period. Intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable or realized.

Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the related asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to future undiscounted cash flows expected to be generated by the asset (or asset group). If the asset (or asset group) is determined to be impaired, the impairment recognized is measured by the amount by which the carrying value of the asset (or asset group) exceeds its fair value.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of assets acquired and liabilities assumed. Goodwill is not amortized, but is tested for impairment at the reporting unit level annually or at the time of a triggering event. The Company has the option to first assess qualitative factors to determine whether the quantitative impairment test is necessary. If the qualitative assessment indicates that it is not more likely than not that the goodwill is impaired, further testing is unnecessary. If the qualitative assessment indicates that it is more likely than not that goodwill is impaired, the Company then performs a quantitative test to compare the reporting unit's fair value with its carrying amount, including goodwill. The Company performed the goodwill asset impairment testing during 2025 and 2024 and no impairment was noted.

If a quantitative impairment analysis is necessary, carrying value is compared to fair value as determined from a combination of income and market based approaches. The income approach utilizes estimates of discounted cash flows, which requires assumptions of, among other things, the Company's expected long-term revenue trends, as well as estimates of profitability, changes in working capital and long-term discount rates, all of which require significant judgment. The income approach also requires the use of appropriate discount rates that take into account the current risks of the capital markets. The market approach applies comparative market multiples derived from the historical earnings data of selected guideline publicly-traded companies to the Company's business to yield a second assuming value. The guideline companies are first screened by industry group and then further narrowed based on the Company's business descriptions, markets served, competitors, profitability, and revenue size.

Original Issue Discount and Debt Issuance Costs

Debt issuance costs related to a recognized debt liability are presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with original issue discounts. Amortization is recognized under the effective interest or straight-line methods depending on the type of financing which the debt issuance costs relate.

CPM Holdings, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2025 and 2024

Warranties

The Company warrants its process machines and other specialty equipment for a period of one year after delivery of the product. An accrual of estimated warranty costs for open agreements is included in accrued expenses in the accompanying consolidated balance sheets. The estimate of warranty costs is based upon prior experience with similar products.

	2025	2024
Accrued warranties		
Beginning of period	\$ 2,965	\$ 4,511
Settlements made	(866)	(3,315)
Change in liability related to product warranties issued	<u>845</u>	<u>1,769</u>
End of period	<u>\$ 2,944</u>	<u>\$ 2,965</u>

Revenue Recognition

The Company recognizes revenue in accordance with specific contract terms with its customers. The Company considers signed contracts as evidence of an arrangement. Customer arrangements typically include the right to terminate their contract. However, the majority of contracts contain provisions that require payment for all services rendered to date, even those services that have not yet been billed. Additionally, certain of the products or services related to these contracts are customer-specific, and therefore have no alternative use. As such, revenue related to these contracts is recognized over time. There are certain arrangements for which the product may be re-purposed and sold to another customer in the event of a contract termination. As such, these contracts are considered to have an alternative use. Revenue from these arrangements is recognized at a point in time when the transfer of control occurs, generally based on shipping terms.

The amount of revenue recognized by the Company reflects the expected consideration to be received for providing the goods or services to the customer, which includes estimates for variable consideration. Variable consideration includes allowances for credits related to nonconforming goods and certain discounts that may be provided to customers. Estimates of variable consideration are determined at contract inception and reassessed at each reporting date, at a minimum, to reflect any changes in facts and circumstances. The Company utilizes the expected value method in determining its estimates of variable consideration, based on evaluations of specific product and customer circumstances, historical and anticipated trends, and current economic conditions.

The Company has adopted the practical expedient to treat shipping and handling costs as fulfillment costs.

The Company has also applied the practical expedient to recognize incremental costs of obtaining a contract as an expense when incurred as the amortization period of the asset that otherwise would have been recognized is typically one year or less.

CPM Holdings, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2025 and 2024

The Company's disaggregated revenue streams are as follows:

	2025	2024
Timing of revenue recognition		
Transferred at a point in time	\$ 443,887	\$ 378,567
Transferred over time	<u>253,171</u>	<u>268,463</u>
Net sales	<u>\$ 697,058</u>	<u>\$ 647,030</u>

The Company recognizes revenue from no alternative use contracts over time. The Company enters into arrangements with its customers for specialized equipment that is designed, engineered and fabricated to customer specification on the Company's premises. Additionally, the customer may order parts that are fabricated specifically for the piece of equipment manufactured for that customer. Due to the precise nature of the manufacturing process that is specific to each customer request, these parts have no alternative use. These arrangements entitle the Company to consideration for progress to date, including a normal profit margin, as the Company completes the performance obligation of manufacturing the product. As such, revenues from the manufacturing of equipment are recognized over time utilizing an input method that best describes progress to date, such as milestones achieved, or costs incurred to date as a percentage of total estimated costs, depending on the nature of the arrangement. Losses on these arrangements are recognized in full at the time the amount of the loss becomes evident. Commissioning or start-up services may be included in these arrangements, on a time and material basis, to get the completed machinery operating as intended. Revenue from the services provided in these arrangements are recognized over time, using an input method such as costs incurred. These arrangements include two performance obligations; 1) the equipment (including the specialized parts) and 2) commissioning or start-up services.

The Company recognizes revenue from standardized equipment and parts that have an alternative use at a point in time. The Company enters into certain arrangements to manufacture a standardized base model of equipment that is configured or enhanced with standard add-on parts to customer specifications. The equipment in these arrangements may be re-purposed and sold to another customer by changing the configuration or removing the standardized add-on parts without a significant impact to the profit margin. Additionally, the customer may request standardized spare parts in addition to equipment on their order. Revenue from this type of arrangement is recognized at a point in time, when control is transferred to the customer, generally based on shipping terms. Commissioning or start-up services may be included in these arrangements, on a time and material basis, to get the completed machinery operating as intended. Revenue from the services provided in these arrangements are recognized over time, using an input method such as hours completed. These arrangements include three performance obligations; 1) the equipment, 2) standardized parts that may be sold in addition to the equipment and 3) start-up or commissioning services.

Contract Balances

Contract assets are rights to consideration in exchange for goods or services that have been transferred to a customer when that right is conditional on something other than the passage of time. Once the Company has an unconditional right to consideration under a contract, amounts are invoiced and contract assets are reclassified to accounts receivable. The Company's primary contract assets relate to costs and estimated earnings in excess of billings on uncompleted contracts. These amounts are expected to be invoiced and collected in the next 12 months.

CPM Holdings, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2025 and 2024

Contract liabilities are recorded when a customer pays consideration, or the Company has a right to an amount of consideration that is unconditional, before the transfer of a good or service to the customer and thus represent the Company's obligation to transfer the good or service to the customer at a future date. The Company's primary contract liabilities relate to billings in excess of costs and estimated earnings on uncompleted contracts. In addition, the Company has contract liabilities for customer progress payments that are separately disclosed on the consolidated balance sheet. In certain contractual arrangements, the Company invoices the customer prior to satisfying a performance obligation, resulting in billings in excess of costs and estimated earnings on uncompleted contracts and customer progress payments. These balances are expected to be recognized within the next 12 months as the performance obligations are satisfied.

Stock-Based Compensation: Service Based Vesting

Stock-based compensation associated with the issuance of stock options to employees is recognized as an expense on a straight-line basis in the consolidated statements of operations based on the fair value of the awards computed at the date of grant and the estimated number of shares expected to vest over the related vesting period.

The Black-Scholes model requires the use of exercise behavior data and the use of a number of assumptions including volatility of the stock price, the weighted average risk-free interest rate, the dividend rate and the weighted average expected life of the options. The Company estimates grant date fair value using the Black-Scholes option pricing model, which incorporates the following assumptions:

Expected Term

The expected life of options granted to employees is based on the vesting term and the anticipated holding period.

Risk-Free Interest Rate

The risk-free interest rate assumption is based upon observed interest rates on the grant date of zero coupon U.S. Treasury bonds whose maturity period is appropriate for the term of the Company's stock options.

Expected Volatility

The volatility assumption was calculated using management's best estimate and is based on volatility rates of comparable companies in the Company's industry sector.

Expected Dividend

The Black-Scholes option pricing model calls for a single expected dividend yield as an input.

The Company normally does not pay dividends. Any dividends paid are discretionary in nature and the Company does not expect to pay dividends in the foreseeable future.

Forfeitures

The Company has elected to recognize the impact of forfeitures in the period incurred.

Stock-Based Compensation: Performance Based Vesting

Employee share-based compensation relating to performance-based awards vest according to a performance condition, which is a change in control, sale or liquidation of the Company. The Company estimates grant date fair value using a Monte Carlo simulation but does not recognize expense in the consolidated financial statements until the performance condition is probable of occurrence.

CPM Holdings, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2025 and 2024

Advertising

The Company expenses advertising costs as incurred. Advertising expense was \$1,286 and \$1,069 during the years ended September 30, 2025 and 2024, respectively.

Income Taxes

Deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each year end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. All deferred tax assets and liabilities, along with any related valuation allowance, are classified as noncurrent on the balance sheet. Deferred tax assets and liabilities are not netted against each other except within a single jurisdiction, therefore each jurisdiction contains one net noncurrent deferred tax asset or liability. Interest and penalties on uncertain tax positions, to the extent they exist, are included in the Company's provision for income taxes. The provision for income taxes represents the current tax expense for the period and the change during the period in deferred tax assets and liabilities.

Comprehensive Loss

Comprehensive income for the Company includes net income and foreign currency translation adjustments that are charged or credited to comprehensive income. The related amounts are presented in the consolidated statements of comprehensive income.

Accumulated other comprehensive loss includes cumulative foreign currency translation adjustments, net of tax and are included in the consolidated statements of changes in stockholder's deficit.

Foreign Currency

The accounts of foreign operations are measured using local currency as the functional currency. Accordingly, assets and liabilities are translated into U.S. dollars at the end of period exchange rates and income and expenses are translated at average exchange rates. Net adjustments resulting from such translation are included in other comprehensive income on the consolidated statements of comprehensive income and accumulated as a separate component of accumulated other comprehensive loss included in the consolidated statements of changes in stockholder's deficit.

Certain foreign currency denominated transactions of the Company are subject to exchange rate fluctuations. The aggregate foreign currency exchange (loss) gain included in net loss was \$(584) and \$13,797 for the years ended September 30, 2025 and 2024, respectively, and is included in Selling, general and administrative expenses in the Consolidated statement of operations

Derivative Instruments

The Company has entered into an interest rate collar to limit exposure to fluctuations in interest rates. This contract is not designated as a hedge. The contract is marked-to-market each period and gains and losses are recognized in interest expense.

CPM Holdings, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2025 and 2024

Fair Value Measurements

Authoritative accounting guidance provides a framework for measuring fair value and establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company measured its interest rate collar instrument at September 30, 2025 and 2024 at fair value on a recurring basis using Level 2 inputs. The Company records assets and liabilities acquired in connection with an acquisition at fair value.

The Company considers that the carrying amount of financial instruments, including accounts receivable, accounts payable and accrued liabilities, approximates fair value due to their short maturities.

Use of Estimates

The preparation of the Company's consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

We evaluated subsequent events through January 9, 2026, the date our consolidated financial statements were available to be issued.

We have determined there were no subsequent events which require recognition or disclosure in these consolidated financial statements.

3. Selected Consolidated Financial Statement Information

Accounts Receivable, Net

	2025	2024
Accounts receivable	\$ 79,958	\$ 95,356
Less: Allowance for credit losses	<u>(3,277)</u>	<u>(2,136)</u>
	<u>\$ 76,681</u>	<u>\$ 93,220</u>

CPM Holdings, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2025 and 2024

Inventories

	2025	2024
Raw materials	\$ 15,576	\$ 14,309
Work-in-process	19,519	17,715
Finished goods	<u>95,354</u>	<u>95,504</u>
	<u>\$ 130,449</u>	<u>\$ 127,528</u>

Contracts in Progress

	2025	2024
Costs incurred on uncompleted contracts	\$ 277,171	\$ 319,235
Estimated earnings on uncompleted contracts	223,419	254,850
Less: Billings on contracts in progress	<u>(537,101)</u>	<u>(645,906)</u>
	<u>\$ (36,511)</u>	<u>\$ (71,821)</u>

These amounts are included in the consolidated financial statements as follows:

	2025	2024
Contract assets	\$ 19,898	\$ 23,490
Contract liabilities	<u>(56,409)</u>	<u>(95,311)</u>
	<u>\$ (36,511)</u>	<u>\$ (71,821)</u>

Property, Plant and Equipment, Net

	2025	2024
Land	\$ 6,361	\$ 5,899
Buildings and improvements	29,254	22,442
Machinery and equipment	108,117	101,678
Furniture and fixtures	4,187	3,685
Less: Accumulated depreciation and amortization	<u>(43,111)</u>	<u>(48,696)</u>
	<u>\$ 104,808</u>	<u>\$ 85,008</u>

Goodwill

	2025	2024
Beginning of period	\$ 663,455	\$ 641,243
Acquisitions	33,422	6,388
Foreign currency translation adjustments	<u>3,397</u>	<u>15,824</u>
End of period	<u>\$ 700,274</u>	<u>\$ 663,455</u>

CPM Holdings, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2025 and 2024

Other Intangibles, Net

	2025		
	Cost	Accumulated Amortization	Net
Trademarks	\$ 147,854	\$ 49,034	\$ 98,820
Customer relationships	432,873	209,066	223,807
Developed technology	69,094	31,110	37,984
Other	8,422	5,942	2,480
Other intangibles, net	<u>\$ 658,243</u>	<u>\$ 295,152</u>	<u>\$ 363,091</u>

	2024		
	Cost	Accumulated Amortization	Net
Trademarks	\$ 146,051	\$ 40,768	\$ 105,283
Customer relationships	395,328	177,205	218,123
Developed technology	68,550	26,052	42,498
Other	6,384	4,701	1,683
Other intangibles, net	<u>\$ 616,313</u>	<u>\$ 248,726</u>	<u>\$ 367,587</u>

Intangible assets subject to amortization have been assigned an estimated finite useful life as follows:

Trademarks	20 years
Customer relationships	5 to 20 years
Developed technology	10 to 20 years

Total amortization expense related to intangible assets was \$43,425 and \$42,515 for the years ended September 30, 2025 and 2024, respectively. The weighted average remaining useful life of other intangibles was 13.17 years and 14.21 years at September 30, 2025 and 2024, respectively.

At September 30, 2025, future estimated amortization will be:

Fiscal Year	
2026	\$ 39,498
2027	34,220
2028	32,551
2029	30,402
2030	28,388
Thereafter	<u>198,032</u>
	<u>\$ 363,091</u>

CPM Holdings, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2025 and 2024

Actual amortization amounts may change from such estimated amounts due to additional intangible asset acquisitions, potential impairments, accelerated amortization or other events.

Accrued Expenses

	2025	2024
Employee payroll, benefits and payroll taxes	\$ 15,548	\$ 14,073
Interest	8,443	8,180
Commissions	3,292	2,462
Warranties	2,944	2,965
VAT and sales taxes payable	1,788	4,466
Income tax payable	8,185	-
Other	9,566	9,366
	<u>\$ 49,766</u>	<u>\$ 41,512</u>

4. Acquisitions

On December 13, 2024, the Company purchased Jacobs Corporation (Jacobs) for \$104,682 including an initial cash payment of \$104,682. Jacobs is a manufacturer of pellet mill dies, roller shells, and roller replacement parts for the feed and biomass industries. The acquisition was funded through a capital contribution of \$109,000. Jacobs compliments the Company's existing pelleting and grinding equipment portfolio. The Jacobs results have been included in the Company's results of operations since the date of acquisition.

Cash and cash equivalents	\$ 2,161
Accounts receivable	5,244
Inventories	9,940
Prepaid expenses and other current assets	1,237
Property, plant and equipment	31,979
Trademarks	700
Customer relationships	34,600
Goodwill	33,422
Other assets	1,050
Accounts payable	(1,586)
Accrued expenses	(1,483)
Customer progress payments	(270)
Deferred taxes	(12,312)
	<u>\$ 104,682</u>

CPM Holdings, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2025 and 2024

On May 31, 2024, the Company purchased Graf Equipment GmbH for \$6,208 including an initial cash payment of \$4,080 and accrued contingent deferred purchase price of \$2,128. Graf is a manufacturer of technologies and services for alternative energy and biomass. The acquisition was funded by existing cash and compliments the Company's existing biomass technology portfolio. The Graf results have been included in the Company's results of operations since the date of acquisition.

Cash and cash equivalents	\$	16
Inventories		482
Prepaid expenses and other current assets		27
Property, plant and equipment		88
Goodwill		6,388
Accounts payable		(151)
Accrued expenses		(103)
Other liabilities		(539)
	<u>\$</u>	<u>6,208</u>

5. Debt

The Company's debt at September 30, 2025 and 2024 consists of the following:

	2025	2024
First lien term loan	\$ 1,193,737	\$ 1,205,888
Other long term debt	-	4,838
Unamortized original issue discount and debt issuance costs	<u>(22,856)</u>	<u>(29,239)</u>
	1,170,881	1,181,487
Less: Amounts due within one year	<u>(12,150)</u>	<u>(13,973)</u>
	<u>\$ 1,158,731</u>	<u>\$ 1,167,514</u>

2023 First Lien Credit Agreement

In September 2023, the Company entered into a first lien credit agreement ("First Lien Credit Agreement") with certain financial institutions. The First Lien Credit Agreement includes an initial term loan with an original principal amount of \$1,215,000. Principal payments of \$3,038 are due on the last day of each calendar quarter throughout the remaining life of the loans. The outstanding principle balance is due upon maturity on September 28, 2028. The first lien credit agreement also provides for a revolving credit facility ("Revolver") of up to \$100,000 in aggregate, consisting of a revolving credit loan, letters of credit in a face amount not to exceed \$15,000 in aggregate, and swing line loans in the principal amount not to exceed \$10,000. The swing line loans are sub-facilities of the revolving credit facility used for daily fluctuations on borrowings. As of September 30, 2025, there were \$0 borrowings and \$289 of letters of credit outstanding under the first lien revolving credit facility, therefore credit available for borrowing was \$99,711 on September 30, 2025. The Revolver credit agreement expires on June 29, 2028.

CPM Holdings, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2025 and 2024

At the Company's option, the interest rate on borrowings under the First Lien Credit Agreement is elected periodically as Alternate Base Rate borrowings, bearing interest at a rate equal to the greater of (a) the federal funds effective rate (5.33% at September 30, 2023) plus 0.50%, (b) the prime rate (8.5% at September 30, 2023), (c) the one-month term SOFR rate (5.31% at September 30, 2023) plus 1.00%; or (d) 3.50%; or Term SOFR borrowings, bearing interest at the greater of (a) the applicable SOFR rate for the elected interest period, or (b) 0.50%. Interest is payable in arrears on the last day of each elected interest period relating to such loan, but not to exceed three months. With respect to the initial term loans, under the First Lien Credit Agreement, an applicable margin of 3.50% is added to Alternate Base Rate borrowings if the total first lien leverage ratio is greater than or equal to 4.25 to 1 and an applicable margin of 3.25% is added to Alternate Base Rate borrowings if the total first lien leverage ratio is less than or equal to 4.25 to 1 and an applicable margin of 4.50% is added to Term SOFR borrowings if the total first lien leverage ratio is greater than or equal to 4.25 to 1 and an applicable margin of 4.25% is added to Term SOFR borrowings if the total first lien leverage ratio is less than or equal to 4.25 to 1.

In conjunction with the First Lien Credit Agreement, the Company capitalized debt issuance costs and original issue discounts of \$35,113. Debt issuance costs and original issue discounts, net of accumulated amortization, was \$22,856 at September 30, 2025 and are being amortized using the effective interest method over the term of the debt. Debt issuance costs consisted of legal, accounting and deal fees directly related to the agreements. Net proceeds from the borrowings were used to refinance the existing 2018 first and second lien credit agreements and fund dividends paid to unit holders.

The First Lien Credit Agreement is collateralized by a security interest in substantially all of the Company's tangible and intangible assets in the United States. The First Lien Credit Agreements are also guaranteed by substantially all direct and indirect domestic subsidiaries of the Company.

The First Lien Credit Agreement provides for mandatory prepayments without penalty if certain conditions are met such as incurrence of certain additional indebtedness, disposition of certain assets, and based on excess cash flow as defined by the credit agreements. No such payments were required at September 20, 2024.

The First Lien Credit Agreement is subject to certain customary covenants and restrictions such as on the issuance of certain additional indebtedness, the payment of dividends or entering into certain merger or acquisitions as defined in detail in the credit agreements. In addition, the borrowings specifically related to the Revolver are subject to a total leverage ratio test when borrowing exceeds \$35,000 on the last day of a test period.

The aggregate annual maturities of long-term debt and the revolving line of credit subsequent to September 30, 2025 are as follows:

Years Ending September 30,	
2026	\$ 12,150
2027	12,150
2028	12,150
2029	12,150
2030	12,150
Thereafter	<u>1,110,131</u>
Total maturities	<u>\$ 1,170,881</u>

CPM Holdings, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2025 and 2024

Interest Rate Collar

The Company has interest rate collar agreements associated with its credit agreements. As a result of the agreements, the Company will receive variable-rate amounts if the designated interest rates rise above the cap strike rate on the contracts and pay variable-rate amounts if the designated interest rates fall below the floor strike rate on the contracts. The principal objective of such arrangements is to minimize the risks and/or costs associated with the Company's operating and financial structure. The Company does not intend to utilize derivatives for speculative or other purposes other than interest rate risk management. The interest rate collar agreements are recorded at fair market value and the related loss of \$2,572 and loss of \$15,012 was recorded in interest expense during the years ended September 30, 2025 and 2024, respectively. The fair value of the agreements was \$(67) and \$1,857 on September 30, 2025 and 2024, respectively, and is included on the balance sheet in other assets.

European Credit Facility

The Company's subsidiaries located in Europe have a bank credit facility (the "Facility"). At September 30, 2025, the aggregate amount of the facility was \$27,004 (€23,000) which includes a revolving credit facility of up to \$5,871 (€5,000) that may also be used for conditional obligations, and a bank guarantee facility in an aggregate amount of up to \$21,134 (€18,000). The facility expires on January 31, 2026. At September 30, 2025, there were \$0 borrowings and \$12,570 of bank guarantees outstanding under the facility, therefore credit available for borrowing was \$8,564.

Borrowings bear interest at a rate equal to the 1-month EURIBOR (1.93% at September 30, 2025) plus 3.25%. Interest payments are due monthly. Commitment fees on the revolving credit facility are equal to 1.6% per year on the nonutilized portion of the revolving credit facility and are due monthly.

The bank guarantee facility provides for contingent obligations such as bank guarantees, letters of credit, or similar obligations to be opened at the request of the borrower. A bank guarantee fee will be charged upon normal market rates and terms.

Borrowings under the Facility are collateralized by a mortgage on real estate of CPM Europe B.V. and a pledge of all present and future receivables, inventory and machinery and equipment of CPM Europe B.V. Borrowings under the Facility are subject to certain financial and nonfinancial covenants including an absolute EBITDA test calculated on the financial results of the subsidiaries covered under the Facility.

CPM Holdings, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2025 and 2024

6. Income Taxes

The reconciliation between the Company's effective income tax rate and the U.S. statutory rate are as follows:

	Years Ended September 30,	
	2025	2024
Statutory U.S. federal income tax rate	\$ (6,230)	\$ (6,719)
State income taxes, net of U.S. federal income tax	1,257	(270)
Partnership loss with no tax benefits	-	-
Meals and entertainment and other nondeductible expenses	142	225
Current year federal and state R&D credits	(989)	(679)
Change in valuation allowance	15,064	8,705
Uncertain tax positions	(85)	(352)
Nontaxable foreign currency gain	699	556
Impact of foreign earnings	478	1,565
Other	(206)	30
	<u>\$ 10,130</u>	<u>\$ 3,061</u>

Components of the income tax expense (benefit) are as follows:

	Years Ended September 30,	
	2025	2024
Current		
Federal	\$ 15,446	\$ 12,691
State	975	748
Foreign	9,949	5,878
Total current expense	<u>26,370</u>	<u>19,317</u>
Deferred		
Federal	(11,883)	(18,035)
State	(504)	(976)
Foreign	(3,853)	2,755
Total deferred benefit	<u>(16,240)</u>	<u>(16,256)</u>
	<u>\$ 10,130</u>	<u>\$ 3,061</u>

CPM Holdings, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2025 and 2024

Components of the deferred tax assets and liabilities at September 30, 2025 and 2024, consist of the following:

	2025	2024
Deferred tax assets		
Allowance for doubtful accounts	\$ 140	\$ 100
Inventories	2,246	2,523
Accrued expenses	1,719	1,213
Lease liability	6,815	6,819
Stock compensation	3,509	3,109
Interest expense	41,384	27,379
Less: Valuation allowance on interest expense	(19,973)	(6,356)
Interest rate collar	-	334
Section 174 expenses	6,005	3,847
Tax deductible transaction costs	1,446	1,600
Net operating losses	6,090	5,832
Less: Valuation allowance on net operating losses	(4,989)	(4,794)
Tax credits	7,998	7,313
Less: Valuation allowance on tax credits	(7,947)	(7,313)
Total deferred tax assets	<u>44,443</u>	<u>41,606</u>
Deferred tax liabilities		
Goodwill and intangible assets	(88,829)	(88,479)
Property, plant and equipment	(17,339)	(15,643)
Lease right-of-use asset	(6,619)	(6,627)
Withholding tax on future foreign earnings repatriation	(1,592)	(1,659)
Other	(1,283)	(3,270)
Total deferred tax liabilities	<u>(115,662)</u>	<u>(115,678)</u>
Net deferred tax liabilities	<u>\$ (71,219)</u>	<u>\$ (74,072)</u>

Income before income taxes are as follows:

	Years Ended September 30,	
	2025	2024
United States	\$ (60,811)	\$ (74,318)
Foreign	<u>31,042</u>	<u>42,324</u>
	<u>\$ (29,769)</u>	<u>\$ (31,994)</u>

CPM Holdings, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2025 and 2024

The Company has net operating loss carryforwards and deferred tax assets which can be used to offset future U.S. federal and state and foreign income tax liabilities. At September 30, 2025, the tax effected net operating losses total \$0, \$868 and \$5,841 for federal, state and foreign purposes, respectively. The Company has a tax effected deferred tax asset of \$41,384 for the currently nondeductible interest expense of which a valuation allowance of \$13,617 was recorded in the current year. The Company has carryforwards of \$7,947 of tax effected federal credits which can be used to offset future U.S. tax liabilities. These credits generally begin expiring in 2030.

The Company considers both positive and negative evidence in determining whether a valuation allowance is required. The Company has provided valuation allowances against net operating loss carryforwards in the Argentina, Germany, China, Italy, Taiwan and Thailand and foreign tax credit carryforwards as their utilization is uncertain. The Company continues to record a valuation allowance on a portion of the currently nondeductible interest expense. The Company recorded the valuation allowance for interest expense based on the future reversals of the existing deferred tax liabilities in generating future taxable income.

The Company concluded an audit with the California Franchise Tax Board during fiscal year 2025. The Company has not been notified of any additional income tax audits through the date our consolidated financial statements were available to be issued. The Company is potentially subject to income tax examinations for the fiscal years 2022, 2023, 2024 and 2025.

The Company recognizes the financial statement effect of a tax position when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. The total unrecognized tax benefit recorded at September 30, 2025 and 2024 is \$989 and \$1,074, respectively.

7. Right of Use Asset and Lease Liability

The Company has operating leases for various real and personal property. Some leases include renewal options at the Company's discretion, which we have not considered in the determination of the right-of-use assets and lease liabilities unless it is reasonably certain that we will exercise. The Company has elected to apply the short-term lease exemption to leases with an initial term of 12 months or less and these leases are not capitalized.

As of September 30, 2025, operating lease liability of \$28,034 (current portion \$3,057) was recorded in the balance sheet. The weighted-average operating lease term at September 30, 2025 was 7.48 years. The weighted-average operating lease discount rate was 4.14% at September 30, 2025. The operating leases identified do not specify implicit rates, accordingly, the Company uses the risk-free rate at the time of lease inception to determine the present value of lease payments.

Future minimum rental payments under operating lease commitments are as follows:

2026	\$	4,791
2027		4,132
2028		3,419
2029		2,880
2030		2,774
Thereafter		<u>19,801</u>
Total minimum lease payments	\$	<u>37,797</u>

CPM Holdings, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2025 and 2024

Rent expense for leases totaled \$7,860 and \$6,707 for the fiscal year ending September 30, 2025 and 2024, respectively.

8. Commitments and Contingencies

Litigation

The Company is involved in various legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's financial position, results of operations or cash flows.

9. Stock Option Plan

The Company has a 2018 Stock Option Plan (the "Plan") under which service-based and performance-based options to purchase stock of the Company may be awarded to employees. The Plan has a change of control provision, whereby both the service-based and performance-based options vest immediately upon a change of control transaction, as defined in the Plan. A total of 535,700 shares of the Company's common stock have been reserved for issuance under the Plan. Shares supporting option exercises are sourced from new share issuances. The exercise price is based upon the fair value of the common stock on the date of grant as determined by the Board of Directors, and all options have a 10-year contractual life. Service-based options become exercisable at a rate of 20.00% annually for five years starting on the first anniversary of the date of grant. The vesting of performance-based options is contingent upon continuous employment and achieving certain returns on investment upon a change of control, sale or liquidation of the Company. An employee's unvested options are forfeited when employment is terminated. At September 30, 2025 there were 479,445 options outstanding under this plan, 222,325 of which were service-based and 257,120 of which were performance based.

Unit option activity for the periods was as follows:

CPM Holdings, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2025 and 2024

	Options		Weighted Average Exercise Price Per Share
	Available	Outstanding	
Balances at September 30, 2023	52,372	483,335	\$ 92.80
Granted	(48,650)	48,650	137.43
Exercised	-	-	-
Expired	-	-	-
Forfeited	<u>37,325</u>	<u>(37,325)</u>	54.89
Balances at September 30, 2024	41,047	494,660	57.44
Granted	(109,000)	109,000	90.32
Exercised	-	-	-
Expired	-	-	-
Forfeited	<u>124,215</u>	<u>(124,215)</u>	71.76
Balances at September 30, 2025	<u>56,262</u>	<u>479,445</u>	\$ 61.20
Options exercisable at September 30, 2025	<u>-</u>	<u>187,592</u>	\$ 59.99

At September 30, 2025 the outstanding options had exercise prices of \$35.00 - \$312.79 per unit and a weighted average remaining contractual life of 5.08 years. The weighted average remaining contractual life on currently exercisable options was 4.52 years at September 30, 2025. The aggregate intrinsic value of a unit award is the amount by which the market value of the underlying unit exceeds the exercise price of the award. The aggregate intrinsic value for outstanding options at September 30, 2025 and 2024 was \$12,627 and \$19,323, respectively. The aggregate intrinsic value for exercisable options was \$5,909 and \$7,260 at September 30, 2025 and 2024, respectively.

The estimated fair value of options is recognized on a straight-line basis over the service period for service-based option grants. During the years ended September 30, 2025 and 2024, the Company recognized \$1,497 and \$5,478, respectively, of unit-based compensation expense. Unit compensation expense was included in selling, general and administrative expenses in the consolidated statements of operations related to the service-based options. At September 30, 2025 and 2024, the unrecognized compensation costs related to the service-based options was \$1,427 and \$2,505, respectively, and unrecognized compensation costs related to the performance-based options was \$10,041 and \$9,500, respectively.

10. Employee Benefit Plans

The Company has a 401(k) and other benefit plans covering substantially all full-time U.S. employees and certain foreign employees. Under certain plans, the Company makes a matching contribution equal to 50% of the participant's contribution, up to specified maximum amounts. In addition, the Company may elect to contribute an additional amount to the plans at the discretion of the Company's Board of Directors. Expense related to the plans for the years ended September 30, 2025 and 2024 was \$2,111 and \$1,898, respectively.

CPM Holdings, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2025 and 2024

11. Other Related Party Transactions

The Company has a management advisory agreement with American Securities LLC (“American Securities”), which is a related party. The agreement requires an annual management fee of \$2,000 per year for management services provided, plus certain fees and expenses. Expense under the management agreement was \$2,066 and \$2,153 for the years ended September 30, 2025 and 2024, respectively. The Company had \$0 unpaid management fees and expenses accrued as of September 30, 2025 and 2024, respectively.

The Company has an outstanding intercompany liability balance with a parent entity. This balance totaled \$1,590 as of September 30, 2025 and 2024 respectively, and is included in other liabilities in the Balance Sheet. The amounts arose in the ordinary course of business and are subject to the Company’s standard intercompany settlement and reconciliation processes.



Report of Independent Auditors

To the Board of Directors and Management of
ASP CPM Holdings LLC

Opinion

We have audited the accompanying consolidated financial statements of ASP CPM Holdings LLC and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of September 30, 2024 and 2023, and the related consolidated statements of operations, comprehensive income, changes in members' equity and cash flows for the years then ended, including the related notes (collectively referred to as 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 September 30, 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 audit 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated 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 available to be issued.



Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

PricewaterhouseCoopers LLP

January 28, 2025

ASP CPM Holdings LLC and Subsidiaries
Consolidated Balance Sheets
September 30, 2024 and 2023

<i>(dollars in thousands)</i>	2024	2023
Assets		
Current assets		
Cash and cash equivalents	\$ 21,018	\$ 37,862
Restricted customer deposits	1,282	905
Accounts receivable, net	93,220	107,753
Inventories	127,528	127,292
Contract assets	23,490	35,787
Prepaid expenses and other current assets	32,733	37,121
Total current assets	299,271	346,720
Property, plant and equipment, net	85,008	84,435
Lease right-of-use asset	31,277	22,733
Goodwill	663,455	641,243
Other intangibles, net	367,586	400,724
Other assets	1,857	13,839
Deferred taxes	591	92
Total assets	\$ 1,449,045	\$ 1,509,786
Liabilities, Mezzanine Equity and Members' Equity		
Current liabilities		
Current portion of long-term debt	\$ 13,973	\$ 9,191
Current portion of lease liability	3,792	3,321
Accounts payable	72,030	74,646
Accrued expenses	35,556	59,074
Customer progress payments	45,102	52,619
Contract liabilities	95,311	103,052
Total current liabilities	265,764	301,903
Long-term debt, less current portion	1,167,514	1,172,528
Lease liability, less current portion	28,378	20,191
Deferred taxes	74,554	85,046
Other liabilities	22,603	4,927
Total liabilities	1,558,813	1,584,595
Commitments and contingencies		
Mezzanine equity		
Preferred investment	322,945	-
Members' equity (deficit)		
Members' investment	540,999	495,562
Accumulated deficit	(921,000)	(511,027)
Accumulated other comprehensive loss	(52,712)	(59,344)
Total members' equity (deficit)	(432,713)	(74,809)
Total liabilities and members' equity (deficit)	\$ 1,449,045	\$ 1,509,786

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

ASP CPM Holdings LLC and Subsidiaries
Consolidated Statements of Operations
Years Ended September 30, 2024 and 2023

<i>(dollars in thousands)</i>	2024	2023
Net sales	\$ 647,030	\$ 799,185
Cost of goods sold	<u>397,667</u>	<u>479,643</u>
Gross profit	<u>249,363</u>	<u>319,542</u>
Operating expenses		
Selling, general and administrative expenses	103,339	116,730
Amortization expense	42,515	44,068
Management fees	<u>2,154</u>	<u>2,026</u>
Total operating expenses	<u>148,008</u>	<u>162,824</u>
Income from operations	<u>101,355</u>	<u>156,718</u>
Other expense (income)		
Interest expense	132,459	69,225
Interest income	<u>(551)</u>	<u>(793)</u>
Total other expense	<u>131,908</u>	<u>68,432</u>
(Loss) Income before income taxes	<u>(30,553)</u>	<u>88,286</u>
Income tax expense	<u>4,955</u>	<u>17,083</u>
Net (loss) income	<u>\$ (35,508)</u>	<u>\$ 71,203</u>

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

ASP CPM Holdings LLC and Subsidiaries
Consolidated Statements of Comprehensive Income
Years Ended September 30, 2024 and 2023

<i>(dollars in thousands)</i>	2024	2023
Net (loss) income	\$ (35,508)	\$ 71,203
Other comprehensive loss		
Foreign currency translation adjustments (net of income tax of \$221 and \$15)	<u>6,632</u>	<u>12,251</u>
Comprehensive (loss) income	<u>\$ (28,876)</u>	<u>\$ 83,454</u>

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

ASP CPM Holdings LLC and Subsidiaries
Consolidated Statements of Changes in Members' Equity
Years Ended September 30, 2024 and 2023

	Members' Equity (Deficit)				Mezzanine Equity	
	Members' Units	Members' Investment	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Members' Equity (Deficit)	Preferred Investment
<i>(dollars in thousands, except per unit information)</i>						
Balances at September 30, 2022	4,855,513	\$ 493,084	\$ (82,186)	\$ (71,595)	\$ 339,303	\$ -
Unit-based compensation	-	2,160	-	-	2,160	-
Capital contributions	4,000	318	-	-	318	-
Repurchase of member units	-	-	-	-	-	-
Dividends paid to unit holders	-	-	(500,044)	-	(500,044)	-
Net income	-	-	71,203	-	71,203	-
Foreign currency translation adjustments	-	-	-	12,251	12,251	-
Balances at September 30, 2023	4,859,513	495,562	(511,027)	(59,344)	(74,809)	-
Unit-based compensation	-	5,478	-	-	5,478	-
Capital contributions	1,819	250	-	-	250	-
Repurchase of member units	(750)	(191)	-	-	(191)	-
Issuance of series A preferred units - net of issuance costs	-	-	-	-	-	291,318
Issuance of warrant to purchase common units - net of issuance costs	-	73,010	-	-	73,010	-
Dividends of series A preferred units issued to series A preferred unit holders	-	(33,110)	-	-	(33,110)	31,627
Dividends paid to unit holders	-	-	(374,465)	-	(374,465)	-
Net loss	-	-	(35,508)	-	(35,508)	-
Foreign currency translation adjustments	-	-	-	6,632	6,632	-
Balances at September 30, 2024	4,860,582	\$ 540,999	\$ (921,000)	\$ (52,712)	\$ (432,713)	\$ 322,945

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

ASP CPM Holdings LLC and Subsidiaries

Consolidated Statements of Cash Flows

Years Ended September 30, 2024 and 2023

(dollars in thousands)

	2024	2023
Cash flows from operating activities		
Net (loss) income	\$ (35,508)	\$ 71,203
Adjustments to reconcile net (loss) income to net cash provided by operating activities		
Depreciation and amortization of property, plant and equipment	14,199	12,221
Amortization of intangible assets	42,515	44,068
Amortization of original issue discount and debt issuance costs	5,873	3,133
Write-off of original issue discount and debt issuance costs	-	8,088
Gain on fair market value of embedded derivatives liability	(921)	-
Noncash lease expense	122	338
Unit-based compensation expense	5,478	2,160
Provision for bad debts	918	(47)
(Gain)/loss on disposals of property, plant and equipment	(1,918)	9
Change in interest rate swap	15,012	(861)
Deferred income tax benefit	(14,175)	(13,938)
Foreign currency exchange gain	(15,238)	(16,065)
Changes in operating assets and liabilities, net of acquisitions		
Accounts receivable	16,058	(10,355)
Inventories	2,790	(10,314)
Contract assets	12,720	(8,334)
Prepaid expenses and other current assets	5,275	(4,086)
Accounts payable	(4,527)	(6,626)
Accrued expenses and other liabilities	(27,528)	8,473
Customer progress payments	(8,673)	(13,318)
Contract liabilities	(9,601)	(62,381)
Net cash provided by operating activities	<u>2,871</u>	<u>3,368</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(16,037)	(15,961)
Proceeds on sales of property, plant and equipment	2,953	22
Acquisition of Carlson, net of cash acquired	-	(1,817)
Acquisition of Dorssers, net of cash acquired	-	(119,977)
Acquisition of Idah, net of cash acquired	-	(13,719)
Acquisition of Graf, net of cash acquired	(4,080)	-
Net cash used in investing activities	<u>(17,164)</u>	<u>(151,452)</u>
Cash flows from financing activities		
Proceeds from long-term debt	-	1,215,000
Payments of long-term debt	(9,354)	(670,284)
Proceeds from revolving debt	116,512	200,968
Payments of revolving debt	(113,488)	(200,968)
Payments of capitalized debt issue cost	-	(34,173)
Payments of dividends to unit holders	(374,465)	(500,044)
Repayment of equity investment	(191)	-
Proceeds from issuance of series A preferred units and warrant	400,000	-
Payment from capitalized equity issue cost	(19,552)	-
Proceeds from capital contributions	250	318
Payments of accrued deferred purchase price	1,220	-
Net cash provided by financing activities	<u>932</u>	<u>10,817</u>
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	<u>(3,106)</u>	<u>(3,397)</u>
Net decrease in cash, cash equivalents and restricted cash	<u>(16,467)</u>	<u>(140,664)</u>
Cash, cash equivalents and restricted cash		
Beginning of year	<u>38,767</u>	<u>179,431</u>
End of year	<u>\$ 22,300</u>	<u>\$ 38,767</u>

ASP CPM Holdings LLC and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended September 30, 2024 and 2023

	2024	2023
Reconciliation of cash and restricted cash reported in the statement of cash flows		
Cash	\$ 21,018	\$ 37,862
Restricted customer deposits	1,282	905
Total cash and restricted cash shown in the statement of cash flows	<u>\$ 22,300</u>	<u>\$ 38,767</u>
Supplemental information		
Cash paid for interest	\$ 102,229	\$ 61,584
Cash paid for taxes (net of refunds)	23,004	32,965
Noncash investing transaction		
Acquisition of Graf, accrued contingent deferred purchase price	\$ 2,128	\$ -
Acquisition of Dorszers, accrued deferred purchase price	-	1,220
Acquisition of Idah, accrued contingent deferred purchase price	-	2,951
Noncash financing transaction		
Dividends of series A preferred units	\$ 31,667	\$ -

ASP CPM Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Years Ended September 30, 2024 and 2023

1. Description of Business

ASP CPM Holdings LLC (the “Company” or “CPM”) is engaged in the design, production and marketing of high-quality, efficient, durable process systems, equipment and after-market parts and services. CPM manufactures and sells process equipment and parts to the agricultural, food producing/processing, plastics compounding, two-piece beverage container, industrial griddle and other industries. CPM sells engineered process systems consisting of engineering services, design and layout services along with outsourced process equipment for the oilseed processing, biodiesel and edible oil refining and other industries.

Operations are worldwide and include production and sales facilities in the United States, Canada, the Netherlands, United Kingdom, Germany, Italy, Singapore, Taiwan, China, Brazil and Argentina.

2. Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Significant intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

Cash equivalents consist of short-term investments with an original maturity of three months or less at the time of purchase. The Company maintains cash deposits with major banks which from time to time may exceed federally insured limits. The Company periodically assesses the financial institutions and believes that the risk of any loss is minimal.

Restricted Customer Deposits

Approximately \$1,282 and \$905 of cash of the Company’s subsidiaries in Europe, Asia and North America is restricted at September 30, 2024 and 2023, respectively. This primarily represents deposits made by customers on orders being manufactured. Generally, the cash restriction is removed when the order is shipped.

Accounts Receivable and Concentration of Credit Risk

Concentrations of credit risk with respect to trade receivables are limited due to the number of customers and their geographical dispersion. The Company performs initial and ongoing credit evaluations of its customers, generally does not require collateral, and maintains allowances for potential credit losses. The allowance is an estimate and is regularly evaluated by the Company for adequacy. The establishment of allowance for credit losses and related bad debt expense is based on historical loss experience, credit quality of the customer base, age of the receivable balances, both individually and in the aggregate, current economic conditions that may affect a customer’s ability to pay, estimated exposure on specific trade receivables and supportable forecasts not already reflected in the historical loss information. If the financial condition of the Company’s customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Inventories

Inventories consist of finished goods, work in process and raw materials, and are stated at the lower of cost or net realizable value with cost determined on the first-in, first-out (“FIFO”) method. The establishment of write downs for excess and obsolete inventories is based on historical usage and estimated exposure on specific inventory items.

ASP CPM Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Years Ended September 30, 2024 and 2023

Property, Plant and Equipment

Property, plant and equipment is stated at cost or at its fair value when acquired as part of a business combination. Depreciation is computed by using the straight-line method over the estimated remaining useful lives of the assets ranging from 3 to 20 years. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or estimated useful life of the asset.

Property, plant and equipment are subject to depreciation having been assigned an estimated useful life as follows:

Buildings and improvements	20 years
Machinery and equipment	3 to 7 years
Furniture and fixtures	5 to 7 years

Expenditures for maintenance and repairs and minor renewals and betterments which do not improve or extend the life of the respective assets are expensed as incurred. All other expenditures for renewals and betterments are capitalized. The assets and related depreciation and amortization accounts are adjusted for property retirements and disposals with the resulting gain or loss included in operations.

Leases

Leases are accounted for using a right-of-use model that requires a lessee to recognize a right-of-use asset and lease liability on the balance sheet for all leases with a term longer than 12 months. The Company determines if an arrangement is a lease at inception. Lease right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Lease right-of-use assets and lease liabilities for leases are recognized at the lease commencement date based on the present value of lease payments over the lease term. In determining the present value of lease payments, the Company uses the Treasury Risk-Free Rate of Return. Lease right-of-use assets also include any lease payments made at or before the lease commencement date and are reduced by any lease incentives received. The Company's lease terms may include options to extend or not terminate the lease when it is reasonably certain that it will exercise any such options. For the majority of its leases, the Company concluded that it is not reasonably certain that any renewal options would be exercised, and therefore, the amounts are not recognized as part of lease right-of-use assets and lease liabilities. Leases with an initial term of 12 months or less are not recorded on the Consolidated Balance Sheets. Lease expense is recognized on a straight-line basis over the expected lease term.

The Company's most significant leases are real estate leases and office space. Only the lease components are included in the measurement of the lease right-of-use assets and related lease liabilities.

Fixed lease expense payments are recognized on a straight-line basis over the lease term. Variable lease payments vary because of changes in facts or circumstances occurring after the commencement date, other than the passage of time. Certain of the Company's operating lease agreements include variable payments that are passed through by the landlord, such as insurance, taxes, common area maintenance, and payments based on the usage of the asset. Variable payments are expensed as incurred.

The Company's lease agreements do not contain material residual value guarantees, restrictions, or covenants.

ASP CPM Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Years Ended September 30, 2024 and 2023

Intangible Assets

Identifiable finite-lived intangible assets consist of trademarks, developed technology, customer relationships and other intangible assets which were purchased independently or recorded as part of acquisitions. These intangible assets are being amortized over their estimated useful lives using straight-line or accelerated amortization methods to reflect an appropriate allocation of the costs of the intangible assets to earnings in proportion to the amount of economic benefits obtained by the Company in each reporting period. Intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable or realized.

Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the related asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to future undiscounted cash flows expected to be generated by the asset (or asset group). If the asset (or asset group) is determined to be impaired, the impairment recognized is measured by the amount by which the carrying value of the asset (or asset group) exceeds its fair value.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of assets acquired and liabilities assumed. Goodwill is not amortized, but is tested for impairment at the reporting unit level annually or at the time of a triggering event. The Company has the option to first assess qualitative factors to determine whether the quantitative impairment test is necessary. If the qualitative assessment indicates that it is not more likely than not that the goodwill is impaired, further testing is unnecessary. If the qualitative assessment indicates that it is more likely than not that goodwill is impaired, the Company then performs a quantitative test to compare the reporting unit's fair value with its carrying amount, including goodwill. The Company performed the goodwill asset impairment testing during 2024 and 2023 and no impairment was noted.

If a quantitative impairment analysis is necessary, carrying value is compared to fair value as determined from a combination of income and market based approaches. The income approach utilizes estimates of discounted cash flows, which requires assumptions of, among other things, the Company's expected long-term revenue trends, as well as estimates of profitability, changes in working capital and long-term discount rates, all of which require significant judgment. The income approach also requires the use of appropriate discount rates that take into account the current risks of the capital markets. The market approach applies comparative market multiples derived from the historical earnings data of selected guideline publicly-traded companies to the Company's business to yield a second assuming value. The guideline companies are first screened by industry group and then further narrowed based on the Company's business descriptions, markets served, competitors, profitability, and revenue size.

Original Issue Discount and Debt Issuance Costs

Debt issuance costs related to a recognized debt liability are presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with original issue discounts. Amortization is recognized under the effective interest or straight-line methods depending on the type of financing which the debt issuance costs relate.

Warranties

The Company warrants its process machines and other specialty equipment for a period of one year after delivery of the product. An accrual of estimated warranty costs for open agreements is included in accrued expenses in the accompanying consolidated balance sheets. The estimate of warranty costs is based upon prior experience with similar products.

ASP CPM Holdings LLC and Subsidiaries
Notes to Consolidated Financial Statements
Years Ended September 30, 2024 and 2023

	2024	2023
Accrued warranties		
Beginning of period	\$ 4,511	\$ 2,903
Settlements made	(3,316)	(2,360)
Change in liability related to product warranties issued	<u>1,769</u>	<u>3,968</u>
End of period	<u>\$ 2,964</u>	<u>\$ 4,511</u>

Revenue Recognition

The Company recognizes revenue in accordance with specific contract terms with its customers. The Company considers signed contracts as evidence of an arrangement. Customer arrangements typically include the right to terminate their contract. However, the majority of contracts contain provisions that require payment for all services rendered to date, even those services that have not yet been billed. Additionally, certain of the products or services related to these contracts are customer-specific, and therefore have no alternative use. As such, revenue related to these contracts is recognized over time. There are certain arrangements for which the product may be re-purposed and sold to another customer in the event of a contract termination. As such, these contracts are considered to have an alternative use. Revenue from these arrangements is recognized at a point in time when the transfer of control occurs, generally based on shipping terms.

The amount of revenue recognized by the Company reflects the expected consideration to be received for providing the goods or services to the customer, which includes estimates for variable consideration. Variable consideration includes allowances for credits related to nonconforming goods and certain discounts that may be provided to customers. Estimates of variable consideration are determined at contract inception and reassessed at each reporting date, at a minimum, to reflect any changes in facts and circumstances. The Company utilizes the expected value method in determining its estimates of variable consideration, based on evaluations of specific product and customer circumstances, historical and anticipated trends, and current economic conditions.

The Company has adopted the practical expedient to treat shipping and handling costs as fulfillment costs.

The Company has also applied the practical expedient to recognize incremental costs of obtaining a contract as an expense when incurred as the amortization period of the asset that otherwise would have been recognized is typically one year or less.

The Company's disaggregated revenue streams are as follows:

	2024	2023
Timing of revenue recognition		
Transferred at a point in time	\$ 378,567	\$ 406,719
Transferred over time	<u>268,463</u>	<u>392,466</u>
Net sales	<u>\$ 647,030</u>	<u>\$ 799,185</u>

The Company recognizes revenue from no alternative use contracts over time. The Company enters into arrangements with its customers for specialized equipment that is designed, engineered

ASP CPM Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Years Ended September 30, 2024 and 2023

and fabricated to customer specification on the Company's premises. Additionally, the customer may order parts that are fabricated specifically for the piece of equipment manufactured for that customer. Due to the precise nature of the manufacturing process that is specific to each customer request, these parts have no alternative use. These arrangements entitle the Company to consideration for progress to date, including a normal profit margin, as the Company completes the performance obligation of manufacturing the product. As such, revenues from the manufacturing of equipment are recognized over time utilizing an input method that best describes progress to date, such as milestones achieved, or costs incurred to date as a percentage of total estimated costs, depending on the nature of the arrangement. Losses on these arrangements are recognized in full at the time the amount of the loss becomes evident. Commissioning or start-up services may be included in these arrangements, on a time and material basis, to get the completed machinery operating as intended. Revenue from the services provided in these arrangements are recognized over time, using an input method such as costs incurred. These arrangements include two performance obligations; 1) the equipment (including the specialized parts) and 2) commissioning or start-up services.

The Company recognizes revenue from standardized equipment and parts that have an alternative use at a point in time. The Company enters into certain arrangements to manufacture a standardized base model of equipment that is configured or enhanced with standard add-on parts to customer specifications. The equipment in these arrangements may be re-purposed and sold to another customer by changing the configuration or removing the standardized add-on parts without a significant impact to the profit margin. Additionally, the customer may request standardized spare parts in addition to equipment on their order. Revenue from this type of arrangement is recognized at a point in time, when control is transferred to the customer, generally based on shipping terms. Commissioning or start-up services may be included in these arrangements, on a time and material basis, to get the completed machinery operating as intended. Revenue from the services provided in these arrangements are recognized over time, using an input method such as hours completed. These arrangements include three performance obligations; 1) the equipment, 2) standardized parts that may be sold in addition to the equipment and 3) start-up or commissioning services.

Contract Balances

Contract assets are rights to consideration in exchange for goods or services that have been transferred to a customer when that right is conditional on something other than the passage of time. Once the Company has an unconditional right to consideration under a contract, amounts are invoiced and contract assets are reclassified to accounts receivable. The Company's primary contract assets relate to costs and estimated earnings in excess of billings on uncompleted contracts. These amounts are expected to be invoiced and collected in the next 12 months.

Contract liabilities are recorded when a customer pays consideration, or the Company has a right to an amount of consideration that is unconditional, before the transfer of a good or service to the customer and thus represent the Company's obligation to transfer the good or service to the customer at a future date. The Company's primary contract liabilities relate to billings in excess of costs and estimated earnings on uncompleted contracts. In addition, the Company has contract liabilities for customer progress payments that are separately disclosed on the consolidated balance sheet. In certain contractual arrangements, the Company invoices the customer prior to satisfying a performance obligation, resulting in billings in excess of costs and estimated earnings on uncompleted contracts and customer progress payments. These balances are expected to be recognized within the next 12 months as the performance obligations are satisfied.

ASP CPM Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Years Ended September 30, 2024 and 2023

Unit-Based Compensation: Service Based Vesting

Unit-based compensation associated with the issuance of unit options to employees is recognized as an expense on a straight-line basis in the consolidated statements of operations based on the fair value of the awards computed at the date of grant and the estimated number of units expected to vest over the related vesting period.

The Black-Scholes model requires the use of exercise behavior data and the use of a number of assumptions including volatility of the unit price, the weighted average risk-free interest rate, the dividend rate and the weighted average expected life of the options. The Company estimates grant date fair value using the Black-Scholes option pricing model, which incorporates the following assumptions:

Expected Term

The expected life of options granted to employees is based on the vesting term and the anticipated holding period.

Risk-Free Interest Rate

The risk-free interest rate assumption is based upon observed interest rates on the grant date of zero coupon U.S. Treasury bonds whose maturity period is appropriate for the term of the Company's unit options.

Expected Volatility

The volatility assumption was calculated using management's best estimate and is based on volatility rates of comparable companies in the Company's industry sector.

Expected Dividend

The Black-Scholes option pricing model calls for a single expected dividend yield as an input.

The Company normally does not pay dividends. Any dividends paid are discretionary in nature and the Company does not expect to pay dividends in the foreseeable future.

Forfeitures

The Company has elected to recognize the impact of forfeitures in the period incurred.

Unit-Based Compensation: Performance Based Vesting

Employee unit-based compensation relating to performance-based awards vest according to a performance condition, which is a change in control, sale or liquidation of the Company. The Company estimates grant date fair value using a Monte Carlo simulation but does not recognize expense in the financial statements until the performance condition is probable of occurrence.

Advertising

The Company expenses advertising costs as incurred. Advertising expense was \$1,069 and \$1,665 during the years ended September 30, 2024 and 2023, respectively.

Income Taxes

Deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each year end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. All deferred tax

ASP CPM Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Years Ended September 30, 2024 and 2023

assets and liabilities, along with any related valuation allowance, are classified as noncurrent on the balance sheet. Deferred tax assets and liabilities are not netted against each other except within a single jurisdiction, therefore each jurisdiction contains one net noncurrent deferred tax asset or liability. Interest and penalties on uncertain tax positions, to the extent they exist, are included in the Company's provision for income taxes. The provision for income taxes represents the current tax expense for the period and the change during the period in deferred tax assets and liabilities.

Comprehensive Income

Comprehensive income for the Company includes net income and foreign currency translation adjustments that are charged or credited to comprehensive income. The related amounts are presented in the consolidated statements of comprehensive income.

Accumulated other comprehensive loss includes cumulative foreign currency translation adjustments, net of tax and are included in the consolidated statements of changes in members' equity.

Foreign Currency

The accounts of foreign operations are measured using local currency as the functional currency. Accordingly, assets and liabilities are translated into U.S. dollars at the end of period exchange rates and income and expenses are translated at average exchange rates. Net adjustments resulting from such translation are included in other comprehensive income on the consolidated statements of comprehensive income and accumulated as a separate component of accumulated other comprehensive loss included in the consolidated statements of changes in members' equity.

Certain foreign currency denominated transactions of the Company are subject to exchange rate fluctuations. The aggregate realized transaction gain included in net (loss) income was \$15,238 and \$16,065 for the years ended September 30, 2024 and 2023, respectively.

Derivative Instruments

The Company has entered into an interest rate collar to limit exposure to fluctuations in interest rates. This contract is not designated as a hedge. The contract is marked-to-market each period and gains and losses are recognized in interest expense.

Fair Value Measurements

Authoritative accounting guidance provides a framework for measuring fair value and establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Inputs are unobservable inputs for the asset or liability.

ASP CPM Holdings LLC and Subsidiaries

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The level in the fair value hierarchy within which a fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company measured its interest rate collar instrument at September 30, 2024 and 2023 at fair value on a recurring basis using Level 2 inputs. The Company records assets and liabilities acquired in connection with an acquisition at fair value.

The Company considers that the carrying amount of financial instruments, including accounts receivable, accounts payable and accrued liabilities, approximates fair value due to their short maturities.

Use of Estimates

The preparation of the Company's consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounting Pronouncements

On October 1, 2023, the Company adopted ASC 326 – Financial Instruments – Credit losses, using the modified retrospective transition approach. ASC 326 replaces the incurred loss impairment methodology with the current expected credit loss model, which requires consideration of a broader range of reasonable and supportable information to estimate credit losses. The adoption of ASC 326 did not have a material impact on the Company's financial position, results of operations or cash flows and there was no cumulative adjustment recorded.

Subsequent Events

We evaluated subsequent events through January 28, 2025, the date our consolidated financial statements were available to be issued.

On December 13, 2024, the Company purchased Jacobs Corporation (Jacobs) for \$105,000. Jacobs is a premier supplier of aftermarket parts for hammermills and pellet mills. The acquisition was funded through a loan from Company owners.

We have determined there were no other subsequent events which require recognition or disclosure in these consolidated financial statements.

3. Selected Consolidated Financial Statement Information

Accounts Receivable, Net

	2024	2023
Accounts receivable	\$ 95,356	\$ 111,905
Less: Allowance for credit losses	(2,136)	(4,152)
	<u>\$ 93,220</u>	<u>\$ 107,753</u>

ASP CPM Holdings LLC and Subsidiaries
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Inventories

	2024	2023
Raw materials	\$ 14,309	\$ 13,913
Work-in-process	17,715	21,794
Finished goods	95,504	91,585
	<u>\$ 127,528</u>	<u>\$ 127,292</u>

Contracts in Progress

	2024	2023
Costs incurred on uncompleted contracts	\$ 319,235	\$ 367,913
Estimated earnings on uncompleted contracts	254,850	250,867
Less: Billings on contracts in progress	<u>(645,906)</u>	<u>(686,045)</u>
	<u>\$ (71,821)</u>	<u>\$ (67,265)</u>

These amounts are included in the consolidated financial statements as follows:

	2024	2023
Contract assets	\$ 23,490	\$ 35,787
Contract liabilities	<u>(95,311)</u>	<u>(103,052)</u>
	<u>\$ (71,821)</u>	<u>\$ (67,265)</u>

Property, Plant and Equipment, Net

	2024	2023
Land	\$ 5,899	\$ 5,733
Buildings and improvements	22,442	21,838
Machinery and equipment	101,678	96,480
Furniture and fixtures	3,685	1,929
Less: Accumulated depreciation and amortization	<u>(48,696)</u>	<u>(41,545)</u>
	<u>\$ 85,008</u>	<u>\$ 84,435</u>

Goodwill

	2024	2023
Beginning of period	\$ 641,243	\$ 564,410
Acquisitions	6,388	57,376
Foreign currency translation adjustments	<u>15,824</u>	<u>19,457</u>
End of period	<u>\$ 663,455</u>	<u>\$ 641,243</u>

ASP CPM Holdings LLC and Subsidiaries
Notes to Consolidated Financial Statements
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Other Intangibles, Net

	2024		
	Cost	Accumulated Amortization	Net
Trademarks	\$ 146,051	\$ 40,768	\$ 105,282
Customer relationships	395,328	177,205	218,123
Developed technology	68,550	26,052	42,498
Other	6,384	4,702	1,682
Other intangibles, net	<u>\$ 616,313</u>	<u>\$ 248,726</u>	<u>\$ 367,586</u>

	2023		
	Cost	Accumulated Amortization	Net
Trademarks	\$ 142,114	\$ 32,216	\$ 109,898
Customer relationships	386,127	143,296	242,831
Developed technology	63,935	20,102	43,833
Other	7,802	3,640	4,162
Other intangibles, net	<u>\$ 599,978</u>	<u>\$ 199,254</u>	<u>\$ 400,724</u>

Intangible assets subject to amortization have been assigned an estimated finite useful life as follows:

Trademarks	20 years
Customer relationships	5 to 20 years
Developed technology	10 to 20 years

Total amortization expense related to intangible assets was \$42,515 and \$44,068 for the years ended September 30, 2024 and 2023, respectively. The weighted average remaining useful life of other intangibles was 14.21 years and 15.13 years at September 30, 2024 and 2023, respectively.

At September 30, 2024, future estimated amortization will be:

Fiscal Year	
2025	\$ 35,177
2026	31,365
2027	29,231
2028	27,166
2029	25,300
Thereafter	<u>219,347</u>
	<u>\$ 367,586</u>

ASP CPM Holdings LLC and Subsidiaries
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Actual amortization amounts may change from such estimated amounts due to additional intangible asset acquisitions, potential impairments, accelerated amortization or other events.

Accrued Expenses

	2024	2023
Employee payroll, benefits and payroll taxes	\$ 14,072	\$ 35,145
Interest	9,121	663
Commissions	2,462	2,520
Warranties	2,964	4,511
VAT and sales taxes payable	3,750	5,716
Other	3,187	10,519
	<u>\$ 35,556</u>	<u>\$ 59,074</u>

4. Acquisitions

On May 31, 2024, the Company purchased Graf Equipment GmbH for \$6,208 including an initial cash payment of \$4,080 and accrued contingent deferred purchase price of \$2,128. Graf is a manufacturer of technologies and services for alternative energy and biomass. The acquisition was funded by existing cash and compliments the Company's existing biomass technology portfolio. The Graf results have been included in the Company's results of operations since the date of acquisition.

Cash and cash equivalents	\$ 16
Inventories	482
Prepaid expenses and other current assets	27
Property, plant and equipment	88
Goodwill	6,388
Accounts Payable	(151)
Accrued expenses	(103)
Other Liabilities	(539)
	<u>\$ 6,208</u>

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On October 28, 2022, the Company purchased Dorssers Inc. (Dorssers) for \$122,776 including an initial cash payment of \$121,556 and accrued deferred purchase price of \$1,220. Dorssers is a manufacturer of pellet mill dies, roller shells, and roller replacement parts for the feed and biomass industries. The acquisition was funded by existing cash and compliments the Company's existing pelleting and grinding equipment portfolio. The Dorssers results have been included in the Company's results of operations since the date of acquisition.

Cash and cash equivalents	\$	1,579
Accounts receivable		9,074
Inventories		8,203
Prepaid expenses and other current assets		595
Property, plant and equipment		28,804
Developed technology		2,800
Trademarks		8,200
Customer relationships		33,400
Goodwill		49,339
Accounts payable		(580)
Accrued expenses		(1,306)
Deferred Taxes		(17,332)
		<u>\$ 122,776</u>

On March 21, 2023, the Company purchased Carlson Industries (Carlson) for \$2,000. Carlson is a global manufacturer of aftermarket wear parts, primarily for grinding equipment. The acquisition was funded by existing cash and compliments the Company's existing aftermarket and grinding equipment portfolio. Tax amortizable goodwill of \$958 was generated as a result of the acquisition. The Carlson results have been included in the Company's results of operations since the date of acquisition.

Cash and cash equivalents	\$	183
Accounts receivable		701
Inventories		930
Prepaid expenses and other current assets		5
Property, plant and equipment		8
Goodwill		958
Accounts payable		(605)
Other long term debt		(180)
		<u>\$ 2,000</u>

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On May 5, 2023, the Company purchased Idah for \$19,206 including an initial cash payment of \$16,255 and accrued deferred purchase price of \$2,951. Idah is a manufacturer of equipment and aftermarket parts used in vegetable protein and snack food, animal feed, and biofuel production industries. The acquisition was funded by existing cash and compliments the Company's technologies and services portfolio. The Idah results have been included in the Company's results of operation since the date of acquisition.

Cash and cash equivalents	\$ 2,536
Accounts receivable	2,391
Inventories	4,689
Prepaid expenses and other current assets	1,700
Property, plant and equipment	853
Developed technology	1,478
Trademarks	2,168
Customer relationships	4,140
Goodwill	7,079
Deferred taxes	228
Other intangible assets	48
Accounts payable	(1,161)
Accrued expenses	(1,608)
Customer progress payments	(1,499)
Other long term debt	(3,836)
	<u>\$ 19,206</u>

5. Debt

The Company's debt at September 30, 2024 and 2023 consists of the following:

	2024	2023
First lien term loan	\$ 1,205,888	\$ 1,215,000
Other long term debt	4,838	1,832
Unamortized original issue discount and debt issuance costs	(29,239)	(35,113)
	<u>1,181,487</u>	<u>1,181,719</u>
Less: Amounts due within one year	(13,973)	(9,191)
	<u>\$ 1,167,514</u>	<u>\$ 1,172,528</u>

2023 First Lien Credit Agreement

In September 2023, the Company entered into a first lien credit agreement ("First Lien Credit Agreement") with certain financial institutions. The First Lien Credit Agreement includes an initial term loan with an original principal amount of \$1,215,000. Principal payments of \$3,038 are due on the last day of each calendar quarter throughout the remaining life of the loans. The outstanding principle balance is due upon maturity on September 28, 2028. The first lien credit agreement also provides for a revolving credit facility ("Revolver") of up to \$100,000 in aggregate, consisting of a revolving credit loan, letters of credit in a face amount not to exceed \$15,000 in aggregate, and

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swing line loans in the principal amount not to exceed \$10,000. The swing line loans are sub-facilities of the revolving credit facility used for daily fluctuations on borrowings. As of September 30, 2024, there were \$3,000 borrowings and \$294 of letters of credit outstanding under the first lien revolving credit facility, therefore credit available for borrowing was \$96,706 on September 30, 2024. The Revolver credit agreement expires on June 29, 2028.

At the Company's option, the interest rate on borrowings under the First Lien Credit Agreement is elected periodically as Alternate Base Rate borrowings, bearing interest at a rate equal to the greater of (a) the federal funds effective rate (5.33% at September 30, 2023) plus 0.50%, (b) the prime rate (8.5% at September 30, 2023), (c) the one-month term SOFR rate (5.31% at September 30, 2023) plus 1.00%; or (d) 3.50%; or Term SOFR borrowings, bearing interest at the greater of (a) the applicable SOFR rate for the elected interest period, or (b) 0.50%. Interest is payable in arrears on the last day of each elected interest period relating to such loan, but not to exceed three months. With respect to the initial term loans, under the First Lien Credit Agreement, an applicable margin of 3.50% is added to Alternate Base Rate borrowings if the total first lien leverage ratio is greater than or equal to 4.25 to 1 and an applicable margin of 3.25% is added to Alternate Base Rate borrowings if the total first lien leverage ratio is less than or equal to 4.25 to 1 and an applicable margin of 4.50% is added to Term SOFR borrowings if the total first lien leverage ratio is greater than or equal to 4.25 to 1 and an applicable margin of 4.25% is added to Term SOFR borrowings if the total first lien leverage ratio is less than or equal to 4.25 to 1.

In conjunction with the First Lien Credit Agreement, the Company capitalized debt issuance costs and original issue discounts of \$35,113. Debt issuance costs and original issue discounts, net of accumulated amortization, was \$29,239 at September 30, 2024 and are being amortized using the effective interest method over the term of the debt. Debt issuance costs consisted of legal, accounting and deal fees directly related to the agreements. Net proceeds from the borrowings were used to refinance the existing 2018 first and second lien credit agreements and fund dividends paid to unit holders.

The First Lien Credit Agreement is collateralized by a security interest in substantially all of the Company's tangible and intangible assets in the United States. The First Lien Credit Agreements are also guaranteed by substantially all direct and indirect domestic subsidiaries of the Company.

The First Lien Credit Agreement provides for mandatory prepayments without penalty if certain conditions are met such as incurrence of certain additional indebtedness, disposition of certain assets, and based on excess cash flow as defined by the credit agreements. No such payments were required at September 20, 2024.

The First Lien Credit Agreement is subject to certain customary covenants and restrictions such as on the issuance of certain additional indebtedness, the payment of dividends or entering into certain merger or acquisitions as defined in detail in the credit agreements. In addition, the borrowings specifically related to the Revolver are subject to a total leverage ratio test when borrowing exceeds \$35,000 on the last day of a test period.

The aggregate annual maturities of long-term debt and the revolving line of credit subsequent to September 30, 2024 are as follows:

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Years Ending September 30,	
2025	13,973
2026	12,150
2027	12,150
2028	12,150
2029	12,150
Thereafter	1,118,914
Total maturities	<u>\$ 1,181,487</u>

Interest Rate Collar

The Company has an interest rate collar agreement associated with its credit agreements. As a result of this agreement, the Company will receive variable-rate amounts if the designated interest rates rise above the cap strike rate on the contract and pay variable-rate amounts if the designated interest rates fall below the floor strike rate on the contract. The principal objective of such arrangements is to minimize the risks and/or costs associated with the Company's operating and financial structure. The Company does not intend to utilize derivatives for speculative or other purposes other than interest rate risk management. The interest rate collar agreement is recorded at fair market value and the related loss of \$15,012 and gain of \$861 was recorded in interest expense during the years ended September 30, 2024 and 2023, respectively. The fair value of the agreement was \$1,857 and \$13,839 on September 30, 2024 and 2023, respectively, and is included on the balance sheet in other assets.

European Credit Facility

The Company's subsidiaries located in Europe have a bank credit facility (the "Facility"). At September 30, 2024, the aggregate amount of the facility was \$25,694 (€23,000) which includes a revolving credit facility of up to \$5,586 (€5,000) that may also be used for conditional obligations, and a bank guarantee facility in an aggregate amount of up to \$20,109 (€18,000). The facility expires on October 30, 2025. At September 30, 2024, there were \$0 borrowings and \$13,189 of bank guarantees outstanding under the facility, therefore credit available for borrowing was \$6,919.

Borrowings bear interest at a rate equal to the 1-month EURIBOR (3.35% at September 30, 2024) plus 3.25%. Interest payments are due monthly. Commitment fees on the revolving credit facility are equal to 1.1% per year on the nonutilized portion of the revolving credit facility and are due monthly.

The bank guarantee facility provides for contingent obligations such as bank guarantees, letters of credit, or similar obligations to be opened at the request of the borrower. A bank guarantee fee will be charged upon normal market rates and terms.

Borrowings under the Facility are collateralized by a mortgage on real estate of CPM Europe B.V. and a pledge of all present and future receivables, inventory and machinery and equipment of CPM Europe B.V. Borrowings under the Facility are subject to certain financial and nonfinancial covenants including an absolute EBITDA test calculated on the financial results of the subsidiaries covered under the Facility.

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6. Income Taxes

The reconciliation between the Company's effective income tax rate and the U.S. statutory rate are as follows:

	Years Ended September 30,	
	2024	2023
Statutory U.S. federal income tax rate	\$ (6,703)	\$ 18,640
State income taxes, net of U.S. federal income tax	(17)	1,568
Partnership loss with no tax benefits	2,381	2,030
Meals and entertainment and other nondeductible expenses	122	108
Current year federal and state R&D credits	(679)	(563)
Change in valuation allowance	8,091	388
Uncertain tax positions	(352)	369
Nontaxable foreign currency gain	559	(3,959)
Impact of foreign earnings	1,565	(2,333)
Other	(12)	835
	<u>\$ 4,955</u>	<u>\$ 17,083</u>

Components of the income tax expense (benefit) are as follows:

	Years Ended September 30,	
	2024	2023
Current		
Federal	\$ 12,519	\$ 36,350
State	748	1,949
Foreign	5,863	(7,278)
Total current expense	<u>19,130</u>	<u>31,021</u>
Deferred		
Federal	(16,141)	(12,117)
State	(771)	(513)
Foreign	2,737	(1,308)
Total deferred benefit	<u>(14,175)</u>	<u>(13,938)</u>
	<u>\$ 4,955</u>	<u>\$ 17,083</u>

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Components of the deferred tax assets and liabilities at September 30, 2024 and 2023, consist of the following:

	2024	2023
Deferred tax assets		
Allowance for doubtful accounts	\$ 100	\$ 189
Inventories	2,523	982
Accrued expenses	1,213	4,481
Lease liability	6,819	5,056
Stock compensation	3,109	1,894
Interest expense	26,720	12,910
Less: Valuation allowance on interest expense	(5,742)	-
Interest rate collar	333	(3,116)
Section 174 expenses	3,847	1,945
Tax deductible transaction costs	3,563	3,962
Net operating losses	5,819	4,387
Less: Valuation allowance on net operating losses	(4,794)	(4,129)
Tax credits	7,313	4,101
Less: Valuation allowance on tax credits	(7,313)	(4,101)
Total deferred tax assets	<u>43,510</u>	<u>28,561</u>
Deferred tax liabilities		
Goodwill and intangible assets	(88,478)	(94,065)
Property, plant and equipment	(15,642)	(12,144)
Lease right-of-use asset	(6,627)	(4,979)
Withholding tax on future foreign earnings repatriation	(1,659)	(2,161)
Other	(5,067)	(166)
Total deferred tax liabilities	<u>(117,473)</u>	<u>(113,515)</u>
Net deferred tax liabilities	<u>\$ (73,963)</u>	<u>\$ (84,954)</u>

Income before income taxes are as follows:

	Years Ended September 30,	
	2024	2023
United States	\$ (69,380)	\$ 47,502
Foreign	38,827	40,784
	<u>\$ (30,553)</u>	<u>\$ 88,286</u>

The Company has net operating loss carryforwards and deferred tax assets which can be used to offset future U.S. federal and state and foreign income tax liabilities. At September 30, 2024, the tax effected net operating losses total \$0, \$434 and \$5,385 for federal, state and foreign purposes, respectively. The Company has a tax effected deferred tax asset of \$26,720 for the currently nondeductible interest expense of which a valuation allowance of \$5,742 was recorded in the current year. The Company has carryforwards of \$7,313 of tax effected federal credits which can be used to offset future U.S. tax liabilities. These credits generally begin expiring in 2030.

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The Company considers both positive and negative evidence in determining whether a valuation allowance is required. The Company has provided valuation allowances against net operating loss carryforwards in the United States, Germany, China, Taiwan and Thailand and foreign tax credit carryforwards as their utilization is uncertain. Additionally, during the year ended September 30, 2024, it was determined that a valuation allowance was appropriate on a portion of the currently nondeductible interest expense. The Company recorded the valuation allowance based on the future reversals of the existing deferred tax liabilities in generating future taxable income.

The Company has not been notified of any additional audits through the date our consolidated financial statements were available to be issued. The Company is potentially subject to income tax examinations for the fiscal years 2021, 2022, 2023 and 2024.

The Company recognizes the financial statement effect of a tax position when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. The total unrecognized tax benefit recorded at September 30, 2024 is \$1,074.

7. Mezzanine Equity

Series A Preferred Units

On January 23 2024, the Company issued 400,000 Series A Preferred Units with a stated value of \$1,000 per unit and warrants to purchase up to 338,750 Class A shares of the Company. The Company allocated proceeds from the issuance between the warrants and the units issued based on their respective fair values. The aggregate fair value of the Series A Preferred Units on the issuance date was \$291,318, net of issuance costs of \$19,552. The Series A Preferred Units, with respect to dividend rights and rights upon the Company's liquidation, winding up or dissolution, will rank senior to any other class or series of equity of Company. The aggregate liquidation preference of the Series A Preferred Units was \$438,993 and \$0 as of September 30, 2024 and 2023, respectively.

The Series A Preferred Units are non-voting and perpetual subject to optional redemption by the Company and mandatory redemption upon certain events as defined in the Securities Purchase Agreement. The company may, at its option, redeem all of the Series A Preferred Units for cash at any time at a price equal to the greater of the accrued stated value of the series A preferred units or \$600,000. Mandatory redemption events include a liquidation event or an event of default. The Series A preferred Units entitle the holder to cumulative dividends which are payable quarterly in arrears either in cash, paid-in-kind ("PIK") or in a combination thereof at the Company's election. From the closing date until the fifth anniversary, dividends will accrue at 13.5% per annum and will continue to increase by 1% on each anniversary date starting on the fifth anniversary until it reaches 18.5% and will remain at 18.5% until the Series A preferred units are redeemed in full. During the year ended September 30, 2024, the Company declared PIK dividends on the Series A preferred Units with a stated value of \$38,993 and a fair market value of \$31,627. PIK dividends are recorded as non-cash charges in the statement of operations and added to the carrying value of the Series A preferred units.

Mezzanine Classification

The Series A preferred units are redeemable in the event of a change in control as defined in the Securities Purchase Agreement. The Company has elected to follow S99-3A(2) of the SEC's Accounting Series Release No. 268 ("ASR 268") which requires preferred securities that are redeemable for cash or other assets to be classified outside of permanent equity if they are redeemable (i) at a fixed or determinable price on a fixed or determinable date, (ii) at the option of the holder, or (iii) upon the occurrence of an event that is not solely within the control of the issuer.

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Preferred securities that are mandatorily redeemable are required to be classified by the issuer as liabilities whereas under ASR 268 an issuer should classify a preferred security whose redemption is contingent on an event not entirely in control of the issuer as mezzanine equity. The Series A is not mandatorily redeemable, however, a change in control is not solely in control of the Company, accordingly, the Company determined that mezzanine treatment is appropriate for the Series A and has presented it as such in the consolidated balance sheets and statement of changes in stockholders' equity and mezzanine equity.

8. Right of Use Asset and Lease Liability

The Company has operating leases for various real and personal property. Some leases include renewal options at the Company's discretion, which we have not considered in the determination of the right-of-use assets and lease liabilities unless it is reasonably certain that we will exercise. The Company has elected to apply the short-term lease exemption to leases with an initial term of 12 months or less and these leases are not capitalized.

As of September 30, 2024, operating lease liability of \$32,170 (current portion \$3,792) was recorded in the balance sheet. The weighted-average operating lease term at September 30, 2024 was 7.62 years. The weighted-average operating lease discount rate was 4.18% at September 30, 2024. The operating leases identified do not specify implicit rates, accordingly, the Company uses the risk-free rate at the time of lease inception to determine the present value of lease payments.

Future minimum rental payments under operating lease commitments are as follows:

2025	\$	5,686
2026		4,816
2027		4,577
2028		3,669
2029		2,859
Thereafter		<u>22,579</u>
Total minimum lease payments	\$	<u>44,186</u>

Rent expense for leases totaled \$5,988 and \$4,654 for the fiscal year ending September 30, 2024 and 2023, respectively.

9. Commitments and Contingencies

Litigation

The Company is involved in various legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's financial position, results of operations or cash flows.

10. Warrant to Purchase Class A Units

In connection with the Series A Preferred Unit issuance in January of 2024, the Company entered into a warrant agreement to purchase up to an aggregate of 338,750 class A units at an exercise price of \$1.00. The value of the warrant of \$73,010 was allocated against the principal proceeds of the Series A Preferred Unit issuance. The warrant units become exercisable ratably over 36

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months or upon a change of control or initial public offering. As of September 30, 2024, 75,278 class A units were exercisable under this warrant agreement.

Upon the execution of the warrant to purchase class A units, we evaluated the terms to determine the appropriate accounting and classification pursuant to FASB Accounting Standards Codification Topic 480, Distinguishing Liabilities from Equity, and FASB Accounting Standards Codification Topic 815, Derivatives and Hedging. Based on our evaluation, we concluded that the warrant to purchase class A units should be classified as equity with no subsequent remeasurement as long as such warrants continue to be classified as equity.

11. Unit Option Plan

The Company has a 2018 Unit Option Plan (the “Plan”) under which service-based and performance-based options to purchase class A units of the Company may be awarded to employees. The Plan has a change of control provision, whereby both the service-based and performance-based options vest immediately upon a change of control transaction, as defined in the Plan. A total of 535,700 units of the Company’s class A units have been reserved for issuance under the Plan. Units supporting option exercises are sourced from new unit issuances. The exercise price is based upon the fair value of the units on the date of grant as determined by the Board of Directors, and all options have a 10-year contractual life. Service-based options become exercisable at a rate of 20.00% annually for five years starting on the first anniversary of the date of grant. The vesting of performance-based options is contingent upon continuous employment and achieving certain returns on investment upon a change of control, sale or liquidation of the Company. An employee’s unvested options are forfeited when employment is terminated. At September 30, 2024 there were 494,660 options outstanding under this plan, 211,065 of which were service-based and 283,595 of which were performance based.

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Unit option activity for the periods was as follows:

	<u>Options</u>		Weighted Average Exercise Price Per Share
	<u>Available</u>	<u>Outstanding</u>	
Balances at September 30, 2022	46,322	489,385	\$ 90.88
Granted	(3,750)	3,750	357.19
Exercised	4,000	(4,000)	79.40
Expired	-	-	-
Forfeited	5,800	(5,800)	110.44
Balances at September 30, 2023	52,372	483,335	92.80
Granted	(48,650)	48,650	137.43
Exercised	-	-	-
Expired	-	-	-
Forfeited	37,325	(37,325)	54.89
Balances at September 30, 2024	41,047	494,660	\$ 57.44
Options exercisable at September 30, 2024	-	158,693	\$ 57.72

At September 30, 2024 the outstanding options had exercise prices of \$35.00 - \$312.79 per unit and a weighted average remaining contractual life of 5.72 years. The weighted average remaining contractual life on currently exercisable options was 5.10 years at September 30, 2024. The aggregate intrinsic value of a unit award is the amount by which the market value of the underlying unit exceeds the exercise price of the award. The aggregate intrinsic value for outstanding options at September 30, 2024 and 2023 was \$19,323 and \$82,150, respectively. The aggregate intrinsic value for exercisable options was \$7,260 and \$25,379 at September 30, 2024 and 2023, respectively.

The estimated fair value of options is recognized on a straight-line basis over the service period for service-based option grants. During the years ended September 30, 2024 and 2023, the Company recognized \$5,478 and \$2,160, respectively, of unit-based compensation expense. Unit compensation expense was included in selling, general and administrative expenses in the consolidated statements of operations related to the service-based options. At September 30, 2024 and 2023, the unrecognized compensation costs related to the service-based options was \$2,505 and \$2,581, respectively, and unrecognized compensation costs related to the performance-based options was \$9,500 and \$9,056, respectively.

12. Employee Benefit Plans

The Company has a 401(k) and other benefit plans covering substantially all full-time U.S. employees and certain foreign employees. Under certain plans, the Company makes a matching contribution equal to 50% of the participant's contribution, up to specified maximum amounts. In addition, the Company may elect to contribute an additional amount to the plans at the discretion of

ASP CPM Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Years Ended September 30, 2024 and 2023

the Company's Board of Directors. Expense related to the plans for the years ended September 30, 2024 and 2023 was \$1,965 and \$1,923, respectively.

13. Other Related Party Transactions

The Company has a management advisory agreement with American Securities LLC ("American Securities"), which is a related party. The agreement requires an annual management fee of \$2,000 per year for management services provided, plus certain fees and expenses. Expense under the management agreement was \$2,153 and \$2,026 for the years ended September 30, 2024 and 2023, respectively. The Company had \$0 unpaid management fees and expenses accrued as of September 30, 2024 and 2023, respectively.

Section C— Alternative Performance Measures

The presentation of financial measures on an adjusted basis is not in conformity with US GAAP or any other generally accepted accounting principles. Such adjusted financial measures have been presented for illustrative purposes only and are based upon a number of assumptions and judgments by Rosebank that are subject to inherent uncertainties and as such are subject to change. Rosebank's management uses these measures to evaluate the operating performance of the Target Groups and believes that these measures could be helpful to investors as a means of evaluating the Target Groups' performance. Non-GAAP Measures are based on available information and certain assumptions and estimates that management views as reasonable in the current circumstances. However, these assumptions and estimates are inherently uncertain, subject to a wide variety of significant business, economic and other risks and may differ materially from the actual financial condition or results of operations of the Target Groups. Management cautions that Non-GAAP Measures have not been audited or reviewed by independent auditors and should not be regarded as an indication, forecast or representation by management or any other person regarding the financial performance of the Target Groups.

Reconciliations of each of the Non-GAAP Measures, prepared at the MW Components Group and the CPM Group levels, to the most directly comparable measure prepared in accordance with US GAAP are presented below.

	MW				CPM		
	2023	2024	2025		2023	2024	2025
Revenue	548⁽⁶⁾	499	507	Revenue	799	647	697
<i>Adjusting Items⁽¹⁾</i>				<i>Adjusting Items⁽¹⁾</i>			
Pre-acquisition revenue ⁽²⁾	85	-	-	Pre-acquisition revenue ⁽²⁾	58	41	8
Pro forma adjustments ⁽³⁾ ..	(119)	(26)	(7)	Pro forma adjustments ⁽³⁾ ..	-	-	8
Adjusted Net Revenue..	514	473	500	Adjusted Net Revenue...	857	688	713
EBITDA⁽⁴⁾	171	47	60	EBITDA⁽⁴⁾	213	158	148
<i>Adjusting Items⁽¹⁾</i>				<i>Adjusting Items⁽¹⁾</i>			
Pre-acquisition EBITDA ⁽²⁾	10	-	-	Pre-acquisition EBITDA ⁽²⁾	16	12	2
Pro-forma adjustments ⁽³⁾ ..	(78)	16	23	Pro-forma adjustments ⁽³⁾ ..	20	13	18
Acquisition related costs .	6	1	2	Acquisition related costs ..	6	2	2
Am Sec management fees and costs	2	3	3	Am Sec management fees and costs	2	2	2
Other adjusting items ⁽⁵⁾ ...	(9)	19	7	Other adjusting items ⁽⁵⁾	(12)	(12)	3
Adjusted EBITDA	102	86	95	Adjusted EBITDA	245	175	175
Depreciation	11	15	18	Depreciation	14	17	19
Adjusted Operating Profit	91	71	77	Adjusted Operating Profit	231	158	156

- 1) Adjusting items are those classified as non-recurring, exceptional or related to pre-acquisition EBITDA or Pro forma adjustments
- 2) Pre-acquisition revenue and Pre-acquisition EBITDA is defined as the revenue and EBITDA related to the businesses acquired through the financial years 2023, 2024 and 2025 prior to the acquisition
- 3) Pro forma adjustments relate to revenue and EBITDA from restructured sites, disposed businesses, the costs related to factory closures and consolidation activities and the proforma impact of pricing actions
- 4) As derived from US GAAP financial statements
- 5) Other adjusting items relate to stock compensation, gain or loss on disposal of assets, unrealised foreign exchange gains or losses and other sundry non-recurring items
- 6) Includes discontinued operations

Section D— Summary of key differences between US GAAP and IFRS

As at the date of this announcement, the Directors have not had sufficient access to the accounting records of the MW Components Group or the CPM Group in order to prepare a complete reconciliation of the US GAAP accounts to IFRS. However, the Directors believe that there are limited differences between the US GAAP audited consolidated financial statements presented in Sections A and B of this Appendix VI (Historical Financial Information relating to the Target Groups) and any conversion of this financial information under IFRS. Financial information relating to the MW Components Group and the CPM Group has historically been prepared under US GAAP and, unless otherwise indicated, the historical financial information in this Appendix VI (*Historical Financial Information relating to the Target Groups*) has been prepared under US GAAP. Rosebank currently prepares its financial information under IFRS and will continue to do so immediately post-Transaction Completion.

IFRS differs in certain respects from US GAAP as applied by CPM Group and MW Components Group in their historical financial information relating to certain policies for recognition, measurement and presentation. Based on the limited information available, the Directors believe that there are limited differences, as set out below. While the Directors believe that they have identified the principal differences, there could be other differences, which may be material, that have not been identified. Potential areas where differences may arise include:

CPM Group

- Under US GAAP, leases are classified as either operating or finance leases. In contrast, IFRS employs a single recognition and measurement model for all leases, like the finance lease treatment under US GAAP. IFRS recognises lease expenses bifurcated into depreciation of the right-of-use asset and interest on the lease liability for all leases whereas, under US GAAP, operating lease expenses are recorded as a single rent expense in the income statement. Additionally, US GAAP (under the private company exemption) allows the use of a treasury risk-free rate to measure lease liabilities and right-of-use assets. IFRS prohibits the use of a risk-free rate and requires the use of an incremental borrowing rate (unless there is a rate implicit in the lease).
- Under US GAAP, preferred securities that are mandatorily redeemable upon an event outside the issuer's control are classified as Mezzanine equity. IFRS does not permit mezzanine classification and requires either equity or debt classification. As further described in Section A of Appendix VI (*Historical Financial Information relating to the Target Groups*), Series A Preferred Units issued by CPM Seller sit outside the Transaction perimeter and are expected to be unwound prior to Transaction Completion.
- Under both US GAAP and IFRS, compensation cost for performance-based awards should be recognised only if it is probable that the performance condition will be achieved. However, when a performance condition is based on a liquidity event (e.g., an IPO or change in control), US GAAP requires that such condition is deemed probable only upon occurrence of the specified event. IFRS does not differentiate in the accounting treatment of awards with performance conditions based on liquidity events. In connection with the proposed acquisition, Rosebank expects to settle the existing performance-based awards of CPM Group.
- Under US GAAP, development costs are expensed as incurred, subject to certain exceptions. Development costs are capitalised under IFRS if technical and

economic feasibility of a project can be demonstrated in accordance with certain criteria.

MW Components Group

- Under US GAAP, leases are classified as either operating or finance leases. In contrast, IFRS employs a single recognition and measurement model for all leases, like the finance lease treatment under US GAAP. IFRS recognises the lease expenses bifurcated into depreciation of the asset and interest on the lease liability for all leases whereas under US GAAP the operating lease expenses are recorded as a single rent expense in the income statement. Additionally, US GAAP (under the private company exemption) allows the use of a treasury risk-free rate to measure lease liabilities and right-of-use assets. IFRS prohibits the use of a risk-free rate and requires the use of an incremental borrowing rate (unless there is a rate implicit in the lease).
- Both US GAAP and IFRS treat sale and leaseback as a sale for the seller-lessee and a purchase for the buyer-lessor if the asset transfer meets the sale criteria established by the revenue standards. Unlike IFRS, US GAAP allows recognition of a sale even with a repurchase option. IFRS, however, does not include equivalent guidance. Furthermore, in the case of a sale and leaseback transaction, under IFRS, only gains or losses relating to the rights transferred from the seller-lessee to the buyer-lessor are recognised, while US GAAP recognises the entire gain or loss from the transaction.
- Under both US GAAP and IFRS, compensation cost for performance-based awards should be recognised only if it is probable that the performance condition will be achieved. However, when a performance condition is based on a liquidity event (e.g., an IPO or change in control), US GAAP requires that such condition is deemed probable only upon occurrence of the specified event. IFRS does not differentiate in the accounting treatment of awards with performance conditions based on liquidity events. In connection with the proposed acquisition, Rosebank expects to settle the existing performance-based awards of MW Components Group.
- Under US GAAP, development costs are expensed as incurred, subject to certain exceptions. Development costs are capitalised under IFRS if technical and economic feasibility of a project can be demonstrated in accordance with certain criteria.
- Under US GAAP, employers are required to recognise contributions to the multiemployer plan as net periodic benefits cost and to recognise a liability for any contributions due and unpaid. IFRS requires employers to follow the requirements of defined benefit plans and account for the proportionate share of defined benefit obligation, fair value of plan assets and plan costs.

In addition, the application of Rosebank's IFRS accounting policies to CPM Group and MW Components Group businesses post-combination may result in certain balances and transactions being classified and presented differently to how they have been presented in their US GAAP historical financial information.

APPENDIX VII

UK, JERSEY AND US TAX CONSIDERATIONS

1. UK Taxation

The following comments are a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of Ordinary Shares. They are based on current UK legislation and what is understood to be the current practice of HM Revenue & Customs (which may not be binding on HM Revenue & Customs) as at the date of this announcement, both of which may change, possibly with retroactive effect.

Except where otherwise specifically stated, the comments below are intended to apply only to Shareholders: (i) who are resident in the UK for UK tax purposes (and, in the case of individuals, who are not eligible for and claiming relief from the UK taxation of foreign income and gains under Chapter 1, Part 2 of the Finance Act 2025); (ii) to whom split-year treatment does not apply; (iii) who are and will be the absolute beneficial owners of their Ordinary Shares and any dividends paid in respect of them; and (iv) who hold, and will hold, Ordinary Shares as investments (otherwise than through an individual savings account or a pension arrangement) and not as securities to be realised in the course of a trade. The tax position of certain other categories of Shareholders who are subject to special rules (such as persons acquiring their Ordinary Shares in connection with employment, dealers in securities, insurance companies or collective investment schemes) is not considered.

The comments below do not constitute tax advice. Prospective investors who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the UK should consult their own professional advisers.

1.1 *Taxation of Dividends*

Where the Company pays dividends no UK withholding taxes are required to be deducted at source. Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

(a) UK tax resident individuals

When the Company pays a dividend to an individual Shareholder who is resident (for tax purposes) in the UK (a “**UK resident individual shareholder**”), the amount of income tax payable on the receipt, if any, will depend on the individual’s own personal tax position.

No UK income tax should be payable by a UK resident individual shareholder if the amount of dividend income received, when aggregated with the Shareholder’s other dividend income in the year of assessment, does not exceed the dividend allowance. The dividend allowance for the tax year 2025/2026 is £500. Dividend income in excess of the dividend allowance is subject to UK income tax at the following rates for the tax year 2025/2026:

- (i) 0% to the extent that it falls within the personal allowance;
- (ii) 8.75% to the extent that it falls within the basic rate band;

- (iii) 33.75% to the extent it falls within the higher rate band; and
- (iv) 39.35% to the extent it falls within the additional rate band.

For the purposes of determining which of the taxable bands dividend income falls into, dividend income is treated as the highest part of a UK resident individual Shareholder's total income charged to UK income tax (less relevant reliefs and allowances). In addition, dividend income which is within the dividend allowance counts towards an individual's basic or higher rate limits and so will be taken into account in determining whether the threshold for higher rate or additional rate income tax is exceeded.

(b) Non-UK tax resident individual Shareholders

Individual Shareholders who are not tax resident in the UK and who hold their Ordinary Shares as an investment and not in connection with any trade, profession or vocation carried on by them in the UK should generally not be subject to UK tax on dividends received from the Company. Any such non-UK tax resident individual Shareholders may be subject to non-UK taxation on any dividend income they receive, under local law.

(c) Corporate Shareholders within the charge to UK corporation tax

Shareholders within the charge to UK corporation tax that are "small companies" (for the purposes of the UK taxation of dividends) will generally not be subject to UK tax on dividends from the Company provided that certain conditions (including an anti-avoidance condition) are met.

Other Shareholders within the charge to UK corporation tax (which are not "small companies" for the purposes of the UK taxation of dividends) should not be subject to UK tax on dividends from the Company, so long as the dividends fall within an exempt class and certain conditions are met. In general: (i) dividends paid on non-redeemable "ordinary shares" (that is, non-redeemable shares that do not carry any present or future preferential rights to dividends or to the Company's assets on its winding up); and (ii) dividends paid to a UK resident corporate Shareholder holding less than 10% of the issued share capital of the class in respect of which the dividend is paid, should fall within an exempt class and accordingly should not be subject to UK corporation tax. However, it should be noted that the exemptions are not comprehensive and are subject to anti-avoidance rules. Such Shareholders will need to ensure that they satisfy the requirements of an exempt class and that no anti-avoidance rules apply before treating any dividend as exempt, and seek appropriate professional advice where necessary.

(d) Non-UK tax resident corporate Shareholders

Corporate Shareholders who are not resident in, and have no permanent establishment in, the UK and who hold their Ordinary Shares as an investment and not in connection with any trade carried on by them, should generally not be subject to UK tax on dividends received from the Company. Any such non-UK tax resident corporate Shareholders may be subject to non-UK taxation on any dividend income they receive, under local law.

1.2 *Chargeable Gains*

(a) UK tax resident individuals

A disposal (or deemed disposal) of the Ordinary Shares by a UK resident individual shareholder may give rise to a chargeable gain (or allowable loss) for the purposes of UK capital gains tax, depending on the circumstances and subject to any available exemption or relief. No indexation allowance will be available to a UK resident individual shareholder in respect of any disposal of Ordinary Shares. However, the capital gains tax annual exempt amount may be available to exempt any chargeable gain, to the extent that the exemption has not already been utilised. The annual exempt amount for individuals for the tax year 2025/2026 is £3,000.

Based on rates applicable for the tax year 2025/2026, capital gains tax on share disposals by a UK resident individual Shareholder will generally be charged at 18% to the extent that the total chargeable gains and total taxable income arising in the tax year of disposal, after all allowable deductions (including losses, the income tax personal allowance and the capital gains tax annual exempt amount), are less than the upper limit of the income tax basic rate band. To the extent that any chargeable gains (or part of any chargeable gains) arising in the tax year of disposal exceed the upper limit of the income tax basic rate band when aggregated with any such income (in the manner referred to above), capital gains tax will generally be charged at 24%.

(b) Shareholders within the charge to UK corporation tax

A disposal (or deemed disposal) of the Ordinary Shares by a Shareholder within the charge to UK corporation tax may give rise to a chargeable gain (or allowable loss) for the purposes of UK corporation tax, depending on the circumstances and subject to any available exemption or relief. The main rate of UK corporation tax is currently 25%.

(c) Non-UK tax resident Shareholders

A Shareholder who is not resident for tax purposes in the UK will generally not be subject to UK taxation on the disposal or deemed disposal of the Ordinary Shares unless the Shareholder is carrying on a trade, profession or vocation in the UK through a branch or agency (or, in the case of a corporate Shareholder, a permanent establishment) in connection with which the Ordinary Shares are used, held or acquired. Non-UK tax resident Shareholders may be subject to non-UK taxation on any gain under local law.

An individual Shareholder who is temporarily non-resident for UK tax purposes may, in certain circumstances, become liable to UK capital gains tax in respect of gains realised while they were not resident in the UK.

1.3 *Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)*

The statements in this section are intended as a general guide to the current UK stamp duty and SDRT position. They apply to all Shareholders, regardless of residence or domicile/deemed domicile.

No stamp duty or SDRT will arise on the issue of the Ordinary Shares.

No stamp duty or SDRT will arise on transfers or agreements to transfer Ordinary Shares which are admitted to trading on AIM and are not listed on a recognised stock exchange. If the Ordinary Shares cease to be admitted to trading on AIM or are listed on a recognised stock exchange, such as the Main Market of the London Stock Exchange: (i) SDRT will not arise on transfers or agreements to transfer Ordinary Shares provided that the Ordinary Shares are not registered in a register kept in the UK by or on behalf of the Company; and (ii) stamp duty should not be payable on transfers of the Ordinary Shares which take place solely within the CREST system. The Company does not intend to register the Ordinary Shares in a register kept within the UK.

2. **Jersey Taxation**

2.1 *General*

The following summary of the anticipated treatment of the Company and holders of Ordinary Shares (other than residents of Jersey) is based on Jersey taxation law and practice as they are understood to apply at the date of this announcement and is subject to changes in such taxation law and practice. It does not constitute legal or tax advice and does not address all aspects of Jersey tax law and practice (including such tax law and practice as they apply to any land or building situate in Jersey). Prospective investors in Ordinary Shares should consult their professional advisers on the implications of acquiring, buying, selling or otherwise disposing of Ordinary Shares in the Company under the laws of any jurisdiction in which they may be liable to taxation.

2.2 *Taxation of the Company*

The Company is not regarded as resident for tax purposes in Jersey. The Company is resident in the UK for UK tax purposes by virtue of its place of central management and control being located in the UK. Therefore, the Company will not be liable to Jersey income tax other than on Jersey source income (except where such income is exempted from income tax pursuant to the Income Tax (Jersey) Law 1961, as amended) and dividends on Ordinary Shares may be paid by the Company without withholding or deduction for or on account of Jersey income tax. The holders of Ordinary Shares (other than residents of Jersey) will not be subject to any tax in Jersey in respect of the holding, sale or other disposition of such Ordinary Shares.

2.3 *Stamp duty*

In Jersey, and on the basis that the Ordinary Shares do not confer a direct or indirect interest in Jersey real estate, no stamp duty is levied on the issue or transfer of Ordinary Shares except that stamp duty is payable on Jersey grants of probate and letters of administration, which will generally be required to transfer Ordinary Shares on the death of a holder of such shares. In the case of a grant of probate or letters of administration, stamp duty is levied according to the size of the estate (wherever situated in respect of a holder of Ordinary Shares domiciled in Jersey, or situated in Jersey in respect of a holder of Ordinary Shares domiciled outside Jersey) and is payable on a sliding scale at a rate of up to 0.75% of such estate and such duty is capped at £100,000.

2.4 *Other Jersey taxes*

Jersey does not otherwise levy taxes upon capital, inheritances, capital gains or gifts nor are there other estate duties.

3. US Taxation

The following discussion describes certain United States federal income tax consequences of the purchase, ownership and disposition of Ordinary Shares. This discussion deals only with Ordinary Shares that are held as capital assets by a US Holder (as defined below) and that are acquired pursuant to the Capital Raise.

For the purposes of this discussion, the term “US Holder” means a beneficial owner of Ordinary Shares that is, for US federal income tax purposes, any of the following: (i) an individual who is a citizen or resident of the United States; (ii) a corporation (or other entity treated as a corporation for US federal income tax purposes) created or organised in or under the laws of the United States, any state thereof or the District of Columbia; (iii) an estate the income of which is subject to US federal income taxation regardless of its source; or (iv) a trust if it: (a) is subject to the primary supervision of a court within the United States and one or more US persons have the authority to control all substantial decisions of the trust; or (b) has a valid election in effect under applicable US Treasury regulations to be treated as a United States person.

This discussion is based upon provisions of the United States Internal Revenue Code of 1986, as amended (the “**Code**”), the Treasury regulations promulgated thereunder, administrative rulings and judicial decisions and the current income tax treaty between the United States and the United Kingdom (the “**Treaty**”), all as of the date hereof. Those authorities may be changed, perhaps with retroactive effect, so as to result in US federal income tax consequences different from those summarised below.

This discussion does not represent a detailed description of the US federal income tax consequences applicable to a US investor who is subject to special treatment under the US federal income tax laws, including a US investor who is:

- a dealer or broker in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- an insurance company;
- a tax-exempt organisation;
- a person holding Ordinary Shares as part of a hedging, integrated or conversion transaction, a constructive sale or a straddle;
- a trader in securities that has elected the mark-to-market method of accounting for its securities;
- a person liable for alternative minimum tax;
- a person who owns or is deemed to own 10% or more of the Company’s stock (by vote or value);
- a partnership or other pass-through entity for US federal income tax purposes;

- a person required to accelerate the recognition of any item of gross income with respect to Ordinary Shares as a result of such income being recognised on an applicable financial statement; or
- a US Holder whose “functional currency” is not the US dollar.

If a partnership (or other entity or arrangement treated as a partnership for US federal income tax purposes) holds Ordinary Shares, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. US investors who are a partnership or a partner of a partnership holding Ordinary Shares, should consult their own tax advisers.

This discussion does not contain a detailed description of all the US federal income tax consequences to US investors in light of their particular circumstances and does not address the Medicare tax on net investment income, US federal estate and gift taxes or the effects of any state, local or non-US tax laws. **US investors who are considering the purchase of Ordinary Shares, should consult their own tax advisers concerning the particular US federal income tax consequences to them of the purchase, ownership and disposition of Ordinary Shares, as well as the consequences arising under other US federal tax laws and the laws of any other taxing jurisdiction.**

US Federal Income Tax Treatment of the Company

For US federal income tax purposes, a corporation generally is considered to be a tax resident of the jurisdiction of its organisation or incorporation. The Company is organised under the laws of Jersey and accordingly, under the generally applicable US federal income tax rules, the Company expects to be treated as a non-US corporation (and, therefore, not a US tax resident) for US federal income tax purposes. However, Section 7874 of the Code provides an exception to this general rule, pursuant to which a non-US corporation (or other entity treated as a corporation for US federal income tax purposes) will be treated as a US corporation for US federal income tax purposes if an 80% Inversion (as defined below) occurs. These rules are complex and guidance regarding their application is unclear and incomplete.

Under Section 7874 of the Code, an “80% Inversion” occurs if each of the following three conditions are met: (i) a non-US corporation, directly or indirectly, acquires substantially all of the properties held directly or indirectly by a US corporation (including through the acquisition of all of the outstanding shares of the US corporation) (a “**Domestic Entity Acquisition**”); (ii) the non-US corporation’s “expanded affiliated group” does not have “substantial business activities” in the non-US corporation’s country of organisation or incorporation relative to the expanded affiliated group’s worldwide activities (the “**Substantial Business Activities Test**”); and (iii) after the Domestic Entity Acquisition, former shareholders of the acquired US corporation hold at least 80% (by either vote or value) of the shares of the non-US acquiring corporation by reason of holding shares in the US acquired corporation, as determined for purposes of Section 7874 of the Code (the “**80% Ownership Test**”). If the Company is treated as a US corporation for US federal income tax purposes, the Company or the Enlarged Group could be subject to substantial additional US federal income tax obligations.

Further, Section 7874 of the Code can limit the ability of US corporations and their US affiliates acquired by “surrogate foreign corporations” to utilise certain US tax attributes. These limitations can potentially apply if the 80% Ownership Test would be satisfied if it were applied by substituting “60%” for “80%” (the “**60% Ownership Test**”).

If the 60% Ownership Test is satisfied, certain adverse tax consequences may apply to a surrogate foreign corporation and its subsidiaries, including restrictions on the use of tax attributes of the acquired US corporation with respect to “inversion gain” recognised over a 10-year period following the Domestic Entity Acquisition, the recapture of certain deductions previously taken by the surrogate foreign corporation under Section 965(e) of the Code at an unfavorable rate, the imposition of an excise tax equal to 1% of the fair market value of stock that the surrogate foreign corporation repurchases and the requirement that any US subsidiaries treat certain payments to the surrogate foreign corporation as “base erosion payments” that may be subject to a minimum US federal income tax. In addition, dividends paid by a surrogate foreign corporation to non-corporate US shareholders would not be eligible for the reduced rates of taxation applicable to “qualified dividend income” (see “—*Taxation of Dividends*” below).

Based upon the terms of the Transaction, the rules for determining the ownership percentage under Section 7874 of the Code and the Treasury regulations promulgated thereunder, and certain factual assumptions, the Company currently expects that former shareholders of the Target Entities will be treated as holding less than 60% (by either vote or value) of the Company’s Ordinary Shares by reason of holding shares in the Target Entities. Accordingly, the Company does not expect to be treated as a US corporation for US federal income tax purposes under Section 7874 of the Code and the Company does not expect the limitations and other rules described above to apply to the Enlarged Group after the Transaction. However, whether the 80% Ownership Test or the 60% Ownership Test has been satisfied must be finally determined after Transaction Completion, by which time there could be changes to the relevant facts and circumstances or adverse rule changes. In addition, even if the Enlarged Group is not subject to the above adverse consequences under Section 7874 of the Code as a result of the Transaction, the Company could, in certain specific circumstances, be limited in using its equity to engage in future acquisitions of US corporations. The rules for determining ownership under Section 7874 of the Code are complex, unclear and the subject of ongoing regulatory change. Accordingly, there can be no assurance that the IRS would not assert a contrary position to those described above or that such an assertion would not be sustained by a court.

The remainder of this discussion assumes the Company will not be treated as a US corporation for US federal income tax purposes under Section 7874 of the Code and that the Enlarged Group will not be subject to the limitations and other rules under Section 7874 of the Code.

Taxation of Dividends

Subject to the discussion under “—*Passive Foreign Investment Company*” below, the gross amount of distributions on Ordinary Shares will be taxable as dividends to the extent paid out of the Company’s current or accumulated earnings and profits, as determined under US federal income tax principles. To the extent that the amount of any distribution exceeds the Company’s current and accumulated earnings and profits for a taxable year, the distribution will first be treated as a tax-free return of capital, causing a reduction in a US Holder’s tax basis in the Ordinary Shares, and to the extent the amount of the distribution exceeds the US Holder’s tax basis, the excess will be treated as capital gain recognised on a sale or exchange. The Company, however, does not expect to determine earnings and profits in accordance with US federal income tax principles. Therefore, a US Holder should expect that a distribution will generally be reported as a dividend.

Any dividends received by US Holders will be includable in their gross income on the day actually or constructively received by them. Such dividends will not be eligible for the dividends received deduction generally allowed to corporations under the Code. Subject to applicable limitations (including a minimum holding period requirement), dividends received by non-corporate US Holders (including individuals) from a qualified foreign corporation may be treated as “qualified dividend income” that is subject to reduced rates of taxation. A qualified foreign corporation includes a foreign corporation that is eligible for the benefits of a comprehensive income tax treaty with the United States which the United States Treasury Department determines to be satisfactory for these purposes and which includes an exchange of information provision. The United States Treasury Department has determined that the Treaty meets these requirements.

Notwithstanding the foregoing, the Company will not be treated as a qualified foreign corporation, and non-corporate US Holders will not be eligible for reduced rates of taxation on any dividends received from the Company, if it is a passive foreign investment company in the taxable year in which such dividends are paid or if it was in the preceding taxable year (see “—*Passive Foreign Investment Company*” below). In addition, the jurisdiction of tax residence of future subsidiaries of the Company and the jurisdiction in which such subsidiaries operate in the future may impact the eligibility of dividends received by a US Holder from the Company to be treated as “qualified dividend income.”

The taxable amount of any dividend paid in pounds sterling will equal the US dollar value of the pounds sterling received calculated by reference to the exchange rate in effect on the date the dividend is actually or constructively received by a US Holder, regardless of whether the pounds sterling are converted into US dollars. If the pounds sterling received as a dividend are converted into US dollars on the date they are received, the US Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income. If the pounds sterling received as a dividend are not converted into US dollars on the date of receipt, the US Holder will have a basis in the pounds sterling equal to their US dollar value on the date of receipt. Any gain or loss realised on a subsequent conversion or other disposition of the pounds sterling will be treated as US-source ordinary income or loss.

Passive Foreign Investment Company

In general, the Company will be a PFIC for any taxable year in which:

- at least 75% of the Company's gross income is passive income, or
- at least 50% of the value (generally determined based on a quarterly average) of the Company's assets is attributable to assets that produce or are held for the production of passive income.

For this purpose, passive income generally includes dividends, interest, royalties and rents (other than royalties and rents derived in the active conduct of a trade or business and not derived from a related person). In addition, cash and other assets readily convertible into cash are generally considered passive assets. If the Company owns at least 25% (by value) of the stock of another corporation, for purposes of determining whether the Company is a PFIC, the Company will be treated as owning the Company's proportionate share of the other corporation's assets and receiving the Company's proportionate share of the other corporation's income.

The Company does not believe it is or will become a PFIC for the current or any future taxable year. However, such determination depends on the application of complex US federal income tax rules that are subject to differing interpretations and is a fact-intensive inquiry made annually after the close of each taxable year and depends, in part, upon the composition and value of the Company's income and assets, among other facts, including the timing of Transaction Completion. In particular, depending on when Transaction Completion occurs, it is possible the Company will be a PFIC. Accordingly, there can be no assurances in this regard and even if the Company is not a PFIC in the current taxable year, it is possible that it may become a PFIC in a future taxable year due to changes in the Company's asset or income composition or in the value of the Company's assets. If the Company is a PFIC for any taxable year during which a US Holder holds Ordinary Shares, such US Holder will be subject to special tax rules discussed below.

If the Company is a PFIC for any taxable year during which a US Holder holds Ordinary Shares and such US Holder does not make a timely mark-to-market election, as described below, the US Holder will be subject to special tax rules with respect to any "excess distribution" received and any gain realised from a sale or other disposition, including a pledge, of Ordinary Shares. Distributions received in a taxable year will be treated as excess distributions to the extent that they are greater than 125% of the average annual distributions received during the shorter of the three preceding taxable years or the holding period of a US Holder for the Ordinary Shares. Under these special tax rules:

- (a) the excess distribution or gain will be allocated ratably over the holding period of a US Holder for the Ordinary Shares;
- (b) the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which the Company was a PFIC, will be treated as ordinary income; and
- (c) the amount allocated to each other year will be subject to tax at the highest tax rate in effect for that year for individuals or corporations, as applicable, and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

Although the determination of whether the Company is a PFIC is made annually, if the Company is a PFIC for any taxable year in which a US Holder holds Ordinary Shares, the US Holder will generally be subject to the special tax rules described above for that year and for each subsequent year in which the US Holder holds Ordinary Shares (even if the Company does not qualify as a PFIC in such subsequent years). However, if the Company ceases to be a PFIC, the US Holder can avoid the continuing impact of the PFIC rules by making a special election to recognise gain as if the US Holder's Ordinary Shares had been sold on the last day of the last taxable year during which the Company was a PFIC. US Holders are urged to consult their own tax adviser about this election.

In lieu of being subject to the special tax rules discussed above, US Holders may make a mark-to-market election with respect to their Ordinary Shares provided such Ordinary Shares are treated as "marketable stock." The Company's Ordinary Shares generally will be treated as marketable stock if they are regularly traded on a "qualified exchange or other market" (within the meaning of the applicable Treasury regulations). Existing Ordinary Shares are listed on AIM, which must meet certain trading, listing, financial disclosure and other requirements to be treated as a qualified exchange for these

purposes, and no assurance can be given that the Company's Ordinary Shares will be "regularly traded" for purposes of the mark-to-market election.

If a US Holder makes an effective mark-to-market election, for each taxable year that the Company is a PFIC such US Holder will include as ordinary income the excess of the fair market value of their Ordinary Shares at the end of the year over their adjusted tax basis in the Company's common shares. US Holders will be entitled to deduct as an ordinary loss in each such year the excess of their adjusted tax basis in their Ordinary Shares over their fair market value at the end of the year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. US Holders adjusted tax basis in their Ordinary Shares will be increased by the amount of any income inclusion and decreased by the amount of any deductions under the mark-to-market rules. In addition, upon the sale or other disposition of a US Holder's Ordinary Shares in a year that the Company is a PFIC, any gain will be treated as ordinary income and any loss will be treated as ordinary loss to the extent of the net amount previously included in income as a result of the mark-to-market election, and thereafter as capital loss.

If a US Holder makes a mark-to-market election, it will be effective for the taxable year for which the election is made and all subsequent taxable years unless Ordinary Shares are no longer regularly traded on a qualified exchange or other market, or the IRS consents to the revocation of the election. However, because a mark-to-market election cannot be made for any lower-tier PFICs that the Company may own (as discussed below), the US Holder will generally continue to be subject to the special tax rules discussed above with respect to their indirect interest in any such lower-tier PFIC. US Holders are urged to consult their tax adviser about the availability of the mark-to-market election, and whether making the election would be advisable in their particular circumstances.

Alternatively, a US Holder can sometimes avoid the special tax rules described above by electing to treat a PFIC as a "qualified electing fund" under Section 1295 of the Code. A "qualified electing fund" election requires US Holders to include currently in income each year their pro rata share of a PFIC's ordinary earnings and net capital gains (as ordinary income and long-term capital gain, respectively), regardless of whether or not such earnings and gains are actually distributed. Thus, US Holders could have a tax liability with respect to such earnings or gains without a corresponding receipt of cash. A US Holder's basis in the shares of a qualified electing fund will be increased to reflect the amount of the taxed but undistributed income. Distributions of income that had previously been taxed will result in a corresponding reduction of basis in the shares and will not be taxed again as a distribution to the US Holder. US Holders must make a qualified electing fund election if they wish to have this treatment. To make a qualified electing fund election, US Holders will need to have an annual information statement from the PFIC setting forth the earnings and capital gains for the year. If the Company determines that it is a PFIC in a given year, the Company will use commercially reasonable endeavors to provide a PFIC annual information statement for such year to any shareholder or former shareholder who requests it to permit such requesting shareholder to make a "qualified electing fund" election, but there can be no assurance that the Company will timely provide such information. In general, US Holders must make a qualified electing fund election on or before the due date for filing their income tax return for the first year to which the qualified electing fund election will apply. Under applicable Treasury regulations, US Holders will be permitted to make retroactive elections in particular circumstances, including if they had a reasonable belief that the Company was not a PFIC and filed a protective election. US Holders should consult their own tax advisers as to the consequences of

making a protective qualified electing fund election or other consequences of the qualified electing fund election.

If the Company is a PFIC for any taxable year during which a US Holder holds Ordinary Shares and any of the Company's non-US subsidiaries are also a PFIC, such US Holder will be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of the PFIC rules. US Holders are urged to consult their tax advisers about the application of the PFIC rules to any of the Company's subsidiaries.

US Holders will generally be required to file IRS Form 8621 if they hold Ordinary Shares in any year in which the Company is classified as a PFIC. US Holders are urged to consult their tax advisers concerning the US federal income tax consequences of holding Ordinary Shares if the Company is considered a PFIC in any taxable year.

Taxation of Gains or Losses

For US federal income tax purposes, US Holders will recognise taxable gains or losses on any sale, exchange or other taxable disposition of Ordinary Shares in an amount equal to the difference between the amount realised for such shares and their tax basis in such shares, both determined in US dollars. Subject to the discussion under "*— Passive Foreign Investment Company*" above, such gains or losses will generally be US-source capital gains or losses and will generally be long-term capital gains or losses if the US Holder held Ordinary Shares for more than one year. Long-term capital gains of non-corporate US Holders (including individuals) are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Information Reporting and Backup Withholding

In general, information reporting will apply to dividends in respect of Ordinary Shares and the proceeds from the sale, exchange or other disposition of Ordinary Shares that are paid to US Holders within the United States (and in certain cases, outside the United States), unless such US Holders establish that they are an exempt recipient. A backup withholding tax may apply to such payments if US Holders fail to provide a taxpayer identification number and a certification that they are not subject to backup withholding or if they fail to report in full dividend and interest income.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a US Holder's US federal income tax liability provided the required information is timely furnished to the IRS.

APPENDIX VIII

ADDITIONAL INFORMATION

For further information relating to the Company and the Group, investors should refer to the admission documents published by the Company on 11 June 2025 and 9 July 2024 which are available on the Company's website at [Supporting documents - Investors - Rosebank Industries](https://www.rosebankindustries.com/investors/supporting-documents/) (<https://www.rosebankindustries.com/investors/supporting-documents/>)

1. Share capital

1.1 As at the date of this announcement, the Company's issued share capital is as follows:

- (i) 406,607,653 Existing Ordinary Shares;
- (ii) 88,000 Series A Incentive Shares; and
- (iii) 50,000 Series B Incentive Shares.

1.2 Immediately following Admission, assuming the Retail Offer is fully subscribed, the Company's issued share capital will be as follows:

- (i) 992,148,566 Ordinary Shares;
- (ii) 88,000 Series A Incentive Shares; and
- (iii) 50,000 Series B Incentive Shares.

2. Organisational structure

The Company is the holding company of the Group.

The Company has 58 wholly-owned (directly or indirectly) subsidiaries as listed below:

<u>Entity Name</u>	<u>Country of Incorporation</u>
1. Rosebank Industries Holdings Limited	England and Wales
2. RB Industries Advisors Corp.	United States
3. Gilchrist BidCo Corp.	United States
4. Mosaic BidCo Corp.	United States
5. Ceres BidCo Corp.	United States
6. ECI Equity Holding Company Inc.	United States
7. Energy Topco Limited	Cayman
8. Energy Midco Limited	Cayman
9. Energy Holdings (Cayman) Limited	Cayman
10. ECI Holding Company (US) LLC	United States
11. Energy Acquisition, LP	United States
12. Energy Acquisition Company Inc.	United States
13. ECI Holdco, Inc.	United States
14. Electrical Components International, Inc.	United States
15. Aerosystems International Inc.	Canada
16. NRI Electronics, Inc.	United States
17. Fargo Assembly Company, Inc.	United States
18. Fargo ND REO I LLC	United States
19. Fargo ND REO II LLC	United States
20. Omni Buyer LLC	United States
21. Omni Connection, LLC	United States

Entity Name	Country of Incorporation
22. Zima Connection, LLC	United States
23. Whitepath Fab Tech, Inc.	United States
24. Fargo Assembly of PA, Inc.	United States
25. Fargo PA REO LLC	United States
26. BHC Cable Assemblies Inc.	Canada
27. Promark Electronics Inc.	Canada
28. BriTech LLC	United States
29. Norwood US Holdings, Inc.	United States
30. MRG US, LLC	United States
31. American Battery Company, LLC	United States
32. Champion Battery Sales, LLC	United States
33. Flex-Tec, Inc.	United States
34. Flex-Tec Mexico, S. de R.L. de C.V.	Mexico
35. Cordset Designs, Inc.	United States
36. ECM Holding Company	United States
37. Electrical Components International (Thailand) Company Limited	Thailand
38. Electrical Components International Limited	United Kingdom
39. ECI Technology Private, Limited	India
40. Electrical Components International S.a.r.l.	Luxembourg
41. Electrical Components International S.a.r.l. Luxembourg (Italy Branch)	Luxembourg (Turin Branch)
42. Electrical Components International Sp. z o.o.	Poland
43. Electrical Components International Sp. z o.o.	Poland (Hungary Branch)
44. Electrical Components International Korea Limited	South Korea
45. Electrical Components International de Mexico S de R.L. de C.V.	Mexico
46. CABIND G.m.b.H	Germany
47. Electrical Components International Industria de Componentes Electronicos do Brasil Ltda	Brazil
48. Electrical Components International G.m.b.H	Germany
49. Electrical Components International, S.L.U.	Spain
50. Electrical Components International Maroc, S.a.r.l.	Morocco
51. Electro Componentes de Mexico, S.A. de C.V.	Mexico
52. Electrical Components Canada, Inc.	Canada
53. ECI Hong Kong Company, Limited	Hong Kong
54. ECI Huizhou Company, Limited	China
55. Xiamen Rei Ho Electronics, Limited	China
56. OCR Enterprise Philippines Inc.	Philippines
57. Nanan Xinshun Electronics Co., Limited	China
58. Xiamen Xinjie Trading Co., Limited	China

MW Components is the holding company of the MW Components Group.

MW Components has 28 wholly-owned (directly or indirectly) subsidiaries as listed below:

Entity Name	Country of Incorporation
1. ASP MWI Intermediate Holdings, Inc.	United States
2. Helix Acquisition Holdings, Inc.	United States
3. MWI Holdings, Inc.	United States
4. MW Industries, Inc.	United States
5. Matthew Warren, Inc.	United States
6. Fastener Group Intermediate Holdings, Inc.	United States
7. MW DePaolo Holdings, LLC	United States
8. MW Real Estate Holdings, LLC	United States
9. Tri-Star Industries, Inc.	United States
10. Precision Manufacturing Group, LLC	United States

Entity Name	Country of Incorporation
11. BellowsTech, LLC	United States
12. Ameriflex, Inc.	United States
13. SW Holdings, LLC	United States
14. Sussex Wire, Inc.	United States
15. MW Massirio Holdings, LLC	United States
16. EFG Holdings, Inc.	United States
17. Elgin Fastener Group, LLC	United States
18. Best Metal Finishing, LLC	United States
19. Leland-Powell Fasteners, LLC	United States
20. Elgin Real Estate Holdings, LLC	United States
21. Ohio Rod Products, LLC	United States
22. Chandler Products, LLC	United States
23. Northern Wire, LLC	United States
24. Vegas Fastener Manufacturing, LLC	United States
25. Holbrook Manufacturing Holdings, Inc.	United States
26. Holbrook Manufacturing LLC	United States
27. Telefast Industries, Inc.	United States
28. Rockford Fastener, Inc.	United States

CPM is the holding company of the CPM Group.

CPM has 52 wholly-owned (directly or indirectly) subsidiaries as listed below:

Entity Name	Country of Incorporation
1. ASP CPM Intermediate Holdings, Inc.	United States
2. CPM Holdings, Inc.	United States
3. Crown Acquisition LLC	United States
4. Crown Iron Works Company LLC	United States
5. Hadi (Thailand) Co., Ltd	Thailand
6. CPM Acquisition Corp.	United States
7. ASP CPM UK HoldCo Ltd.	United Kingdom
8. ASP UK Intermediate CFC1 Limited	United Kingdom
9. UK CFC2 Limited	United Kingdom
10. UK CFC1 Limited	United Kingdom
11. CPM Wolverine Proctor Limited	United Kingdom
12. Planet Dryers Limited	United Kingdom
13. Planet Group (Peterborough) Limited	United Kingdom
14. Planet Flowline Limited	United Kingdom
15. ASP UK Intermediate CFC2 Limited	United Kingdom
16. CPM, Inc.	Canada
17. Zhangjiagang Dong Ding International Trading Co., Ltd.	China
18. Avantron Micro Co., Ltd.	Taiwan
19. Idah (Wuxi) Technology Co., Ltd.	China
20. Idah Co., Ltd.	Taiwan
21. Hadi Company	Taiwan
22. CFC AcquisitionCo1 Limited	United Kingdom
23. CFC AcquisitionCo2 Limited	United Kingdom
24. CPM Packaging Ltd	United Kingdom
25. Greenbank Technology Limited	United Kingdom
26. D & G Electrical Engineering Limited	United Kingdom
27. Proline Engineering Limited	United Kingdom
28. CPM Machinery (Nantong) Co., Ltd.	China
29. Jacobs Nantong Intelligent & Technology Co., Ltd.	China
30. Jacobs Nanyang Intelligent & Technology Co., Ltd.	China
31. CPM Wolverine Proctor LLC	United States
32. TSA Griddle Systems, Inc.	United States
33. CPM SA LLC	United States
34. CPM Argentina SRL	Argentina
35. CPM Europe B.V.	Netherlands

Entity Name	Country of Incorporation
36. Crown Iron Tecnologias Ltda.	Brazil
37. Di Più Systems S.R.L.	Italy
38. UK CFC4 Limited	United Kingdom
39. CPM WPS Limited	United Kingdom
40. Europa Crown Limited	United Kingdom
41. UK CFC3 Limited	United Kingdom
42. Europa Crown LLC	Russia
43. Eborotec Limited	United Kingdom
44. CPM SKET GmbH	Germany
45. Extricom Extrusion GmbH	Germany
46. Nanjing Ruiya Extrusion Systems Ltd.	China
47. Nanjing Ruiya Polymer Processing Equipment Co., Ltd.	China
48. CPM Germany GmbH	Germany
49. CPM India Machinery and Service Private Limited	India
50. CPM Pacific (Private) Limited	Singapore
51. CPM Machinery (Wuxi) Co., Ltd.	China
52. Wolverine Proctor Machinery (Wuxi) Co., Ltd.	China

CPM has holdings in the following partially-owned (directly or indirectly) entities as listed below:

Entity Name	Country of Incorporation
1. Crown Asia (Wuhan) Engineering Co. Ltd (50%)	China
2. Ma'anshan Fude Machinery Manufacturing Co, Ltd (30%)	China
2. CPM – Crown Pacific Pte. Ltd. (50%)	Singapore

3. **Details of the Connected Persons Subscription**

Conditional on, *inter alia*, Admission, the Rosebank Directors and certain senior Rosebank employees and associates set out below (together, the “**Connected Persons**”) have agreed to subscribe for, in aggregate, 3,722,732 Connected Persons Shares for a total price of £12,285,016 as follows:

Connected Person	Number of Connected Persons Shares	Total price (£)
Justin Dowley	303,031	1,000,002
Simon Peckham	909,091	3,000,000
Matt Richards	75,758	250,001
Liam Butterworth	606,061	2,000,001
Christopher Miller	606,061	2,000,001
Fiona MacAulay	7,576	25,001
Joff Crawford	606,061	2,000,001
Jim Slattery	56,667	187,001
Geoff Morgan	56,667	187,001
Mike Balsei	453,333	1,495,999
Ryan Flight	15,152	50,002
Tegan Creedy	15,152	50,002
Sanjeev Dave	12,122	40,003

The Connected Persons Shares will be issued at the Issue Price at the time of the Institutional Capital Raise and the Retail Offer but will not form part of the Institutional Capital Raise or the Retail Offer. The Connected Persons are not participating in the Retail Offer.

The Connected Persons Shares will, when issued, be subject to the Articles, be credited as fully paid and rank *pari passu* in all respects with the Existing Ordinary Shares, the Placing

Shares, the US Private Placement Shares and the Retail Offer Shares, including the right to receive all dividends and other distributions (if any) declared, made or paid on or in respect of Ordinary Shares after the date of issue of the Connected Persons Shares.

4. Directors' and the Senior Executives' interests

4.1 As at the date of this announcement, the interests of the Directors and the Senior Executives, all of which are beneficial unless otherwise indicated, in the issued Ordinary Share capital of the Company which have been notified to the Company and the interests of persons connected with a Director or Senior Executive, the existence of which is known or could with reasonable diligence be ascertained by each of them, are as follows:

Director / Senior Executive	Number of Ordinary Shares	Percentage of the Existing Ordinary Share capital
Justin Dowley	441,442	0.11%
Simon Peckham	1,756,757	0.43%
Matt Richards	351,351	0.09%
Christopher Miller ⁽¹⁾	1,887,388	0.46%
Fiona MacAulay	0	0.00%
Joff Crawford	899,549	0.22%
Jim Slattery	702,703	0.17%
Geoff Morgan	882,883	0.22%

(1) The interest of Christopher Miller includes 833,333 Ordinary Shares held by Harris & Sheldon Investments Limited, a person which is connected with Christopher Miller.

4.2 Following the Capital Raise and assuming that the Retail Offer is fully subscribed, the interests of the Directors and the Senior Executives, all of which are beneficial unless otherwise indicated, in the issued Ordinary Share capital of the Company and the interests of persons connected with a Director or Senior Executive, the existence of which is known or could with reasonable diligence be ascertained by that Director or Senior Executive, will be as follows:

Director / Senior Executive	Number of Ordinary Shares	Percentage of the Enlarged Share capital
Justin Dowley	744,473	0.08%
Simon Peckham	2,665,848	0.27%
Matt Richards	427,109	0.04%
Christopher Miller ⁽¹⁾	3,099,509	0.31%
Fiona MacAulay	7,576	0.00%
Joff Crawford	1,505,610	0.15%
Jim Slattery	759,370	0.08%
Geoff Morgan	939,550	0.09%

(1) The interest of Christopher Miller includes 1,439,393 Ordinary Shares held by Harris & Sheldon Investments Limited, a person which is connected with Christopher Miller.

4.3 The Company's issued share capital includes 88,000 Series A Incentive Shares and 50,000 Series B Incentive Shares, which are held as follows:

Director / Senior Executive	Number of Series A Incentive Shares	Percentage of authorised Series A Incentive Share Capital	Number of Series B Incentive Shares	Percentage of authorised Series B Incentive Share Capital
Simon Peckham	24,000	24%	10,000	10%
Matt Richards	16,000	16%	10,000	10%
Joff Crawford	16,000	16%	10,000	10%
Jim Slattery	16,000	16%	10,000	10%
Geoff Morgan	16,000	16%	10,000	10%

In addition, the Board has been authorised to allot a further 12,000 Series A Incentive Shares, 50,000 Series B Incentive Shares and 100,000 Series C Incentive Shares to employees (or an employee share ownership plan trust) at the discretion of the Board or the remuneration committee. The Board has also issued 11,750 options to subscribe for Series A Incentive Shares.

5. Significant shareholders

As at the Latest Practicable Date, the Company is aware of the following Shareholders who are interested, directly or indirectly, in 3% or more of the Company's issued share capital:

Shareholder	As at the Latest Practicable Date
	Number of Existing Ordinary Shares
Artemis Investment Management	43,659,699
Invesco	43,288,622
BlackRock Investment Management	41,838,841
Norges Bank Investment Management	35,800,000
Schroder Investment Management	18,401,287
Aviva Investors	17,611,943
Permian Investment Partners	17,020,113
Lingotto Investment Management	15,000,000

6. Lock-in agreements

Each of the Rosebank Co-Founders has previously agreed with the Company, until three years following the July 2024 Admission, subject to certain customary exceptions, not to transfer, charge or otherwise dispose of any of the Existing Ordinary Shares subscribed or held by him at the time of the July 2024 Placing and the ECI Acquisition without the prior written consent of the Company.

7. Material contracts

Other than as set out in the July 2024 Admission Document and the June 2025 Admission Document, the following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the members of the Enlarged Group (a) in the two years immediately preceding the publication of this announcement, and which are, or may be, material; or (b) at any time and which contain any provision under which any member of the Enlarged Group has any obligation or entitlement which is material to the Enlarged Group as at the date of this announcement.

Material contracts relating to the Transaction

7.1 Acquisition Agreements

Details of the Acquisition Agreements are set out in this announcement.

7.2 New Debt Facilities and hedging arrangements

- (i) On 3 March 2026, Ceres Bidco and Mosaic Bidco entered into debt commitment documents with, among others, certain financial institutions named therein (each as an arranger and underwriter) (the “**Arrangers**”) (the “**Debt Commitment Documents**”). Pursuant to the Debt Commitment Documents, the Arrangers have agreed to:
 - (A) underwrite certain facilities to be made available to Mosaic Bidco and Ceres Bidco, such facilities comprising (i) term loan commitments in an aggregate principal amount of \$900,000,000 (“**Facility A**”) and (ii) multi-currency revolving commitments in an aggregate principal amount of \$1,000,000,000 (“**Facility B**”) and, together with Facility A, the “**Facilities**”); and
 - (B) enter into long form debt financing documents on the terms described in the balance of this paragraph 7.2 (*New Debt Facilities and hedging arrangements*) of this Appendix VIII (*Additional Information*).
- (ii) Rosebank (as original parent), RIHL (as the company), Gilchrist Bidco, Mosaic Bidco and Ceres Bidco (together with Rosebank, RIHL, Gilchrist Bidco and Mosaic Bidco the “**Original Obligors**”) will enter into a senior term and revolving credit facilities agreement with, among others, certain financial institutions named as original lenders (the “**Lenders**”) (the “**Facilities Agreement**”). Pursuant to the Facilities Agreement, the Lenders shall make the Facilities available to RIHL, Gilchrist Bidco, Mosaic Bidco and Ceres Bidco as original borrowers.
- (iii) The proceeds of Facility A shall be applied towards the financing or refinancing (directly or indirectly), amongst other things, the consideration for, and any other amounts payable in connection with, the Transaction, the repayment of existing indebtedness of the Group, the MW Components Group and/or the CPM Group and/or transaction costs and other fees, costs and/or expenses. The proceeds of Facility B shall be applied towards financing the working capital requirements and general corporate purposes of the Enlarged Group.
- (iv) Each of the Original Obligors will jointly and severally guarantee the obligations owed to the lenders, among other finance parties, under the Facilities Agreement. In addition, the terms of the Facilities Agreement will require that, following Transaction Completion and subject to certain limitations, certain members of the Group (including, for the avoidance of doubt, the MW Components Group and/or the CPM Group) accede to the Facilities Agreement as guarantors in accordance with minimum guarantor coverage requirements set out therein.
- (v) Pursuant to the terms of the Facilities Agreement, each obligor (which shall include each Original Obligor and each member of the Group required to accede to the Facilities Agreement as a guarantor), will be required to make certain customary representations and warranties at

various times throughout the term of the Facilities Agreement. In addition, the terms of the Facilities Agreement will contain certain restrictions on the operations of the Group. These include customary positive and negative covenants including, without limitation, restrictions on mergers, acquisitions, disposals, incurrence of financial indebtedness and/or loans to persons outside of the Group and a negative pledge restricting security over the Group's assets. Rosebank will also be required to comply with certain information undertakings, including delivery of financial information relating to the Group for distribution to the lenders.

- (vi) The Facilities Agreement will contain the following financial covenants:
 - (A) Interest Cover, being the ratio of consolidated EBITDA of the Group to the consolidated net finance charges of the Group, which must not be less than 3.0:1.0 (for the relevant period ending 31 December 2026) or 3.5:1.0 (for any relevant period ending on or after 30 June 2027); and
 - (B) Debt Cover, being the ratio of consolidated total net debt of the Group to consolidated EBITDA of the Group, which must not exceed 4.0:1.0 (for the relevant period ending 31 December 2026); 3.75:1.0 (for the relevant period ending 30 June 2027) or 3.5:1.0 (for any relevant period ending on or after 31 December 2027).
- (vii) Each financial covenant shall be tested bi-annually, by reference to each set of half-year or annual financial statements and/or each compliance certificate delivered pursuant to the terms of the Facilities Agreement. The financial covenants shall be tested for the first time in respect of the 12-month period ending 31 December 2026.
- (viii) When determining consolidated EBITDA for the purposes of testing the financial covenants referred to above, Rosebank shall be permitted to, amongst other things: (i) include the operating profits of any entity or business acquired during the relevant period; (ii) exclude the operating profits of any entity or business sold during the relevant period; (iii) include certain pro forma adjustments in respect of acquisitions and disposals (and certain group initiatives implemented during the relevant period) in each case projected by Rosebank after taking into account the run rate effect of cost savings and other synergies (including revenue synergies) which the Group believes can be achieved within a specified timeframe following the relevant acquisition, disposal and/or group initiative referred to above, provided that the aggregate amount of such pro forma adjustments included in respect of any relevant period must not exceed 20% of consolidated EBITDA.
- (ix) The Facilities Agreement will contain certain events of default including, without limitation, in respect of (i) non-payment (subject to a grace period), (ii) breach of financial covenant, (iii) misrepresentation (subject to a materiality threshold and a grace period), (iv) cross default (subject to a de minimis exemption basket), (v) insolvency and (vi) insolvency proceedings. Certain of the other events of default are subject to exceptions, de minimis baskets, materiality thresholds and/or grace periods. The occurrence of any event of default under the Facilities

Agreement would permit, among other things, the acceleration of any loan and cancellation of commitments made available under the Facilities.

- (x) Subject to certain exceptions, loans made available under each of Facility A and Facility B shall bear interest at a rate per annum equal to the aggregate of (i) the applicable base rate (which for loans drawn in US dollars is SOFR (or, if applicable, the term SOFR reference rate administered by CME Group Benchmark Administration Limited), for loans drawn in Euro is EURIBOR and for loans drawn in pounds sterling is SONIA) and (ii) a margin, which is subject to a leverage-based ratchet. The opening margin in respect of Facility A shall be 1.55% per annum and the opening margin in respect of Facility B shall be 1.85% per annum.
- (xi) The scheduled maturity date for the Facilities is three years from the date on which Facility A is drawn to complete the Transaction. The Company may extend the maturity date in respect of Facility B up to twice (in each case by no more than one year) by giving notice to the facility agent not less than 30 days' prior to (i) the original maturity date or (ii) if after the first extension of the original maturity date, the first anniversary of the original maturity date.
- (xii) The Facilities Agreement will be governed by English law.
- (xiii) The Company intends to enter into DCFX transactions. Under the terms of the DCFX, the Company will fix the rate of exchange at which it can convert into US dollars the pounds sterling amount that the Company will receive in respect of the Institutional Capital Raise. Accordingly, the Company will mitigate the currency fluctuation risk that would otherwise apply due to changes of the rate of exchange between pounds sterling and the US dollar (i) from the date of entry into the Placing Agreement and the US Private Placement Document (ii) to the date upon which the sterling proceeds for the Institutional Capital Raise are received in full.

The Company will only be required by each counterparty to a DCFX to exchange the applicable sterling amount into US dollars if the Company has received in full the amounts to be paid to it in respect of the Institutional Capital Raise by the long stop date as defined under the terms of the DCFX. If this has not occurred then the DCFX will lapse at no cost to the Company.

7.3 Placing Agreement

- (i) On 3 March 2026, the Company and the Banks entered into the Placing Agreement pursuant to which the Banks agree, severally and not jointly or jointly and severally, subject to certain conditions, to use reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price and failing which to subscribe themselves for the relevant Placing Shares at the Issue Price (in such proportions as set out in the Placing Agreement).
- (ii) Pursuant to the Placing Agreement the Company agrees to issue the US Private Placement Shares at the Issue Price to subscribers

procured by it pursuant to the US Private Placement, and, failing subscription for such US Private Placement Shares by the procured subscribers, the Banks agree, severally and not jointly or jointly and severally, subject to certain conditions, to subscribe themselves for the relevant US Private Placement Shares at the Issue Price (in such proportions as set out in the Placing Agreement). The Retail Offer and the Connected Persons Subscription are not underwritten.

- (iii) The Placing and the US Private Placement are conditional, inter alia, on the approval of the Transaction Resolutions at the General Meeting, Admission occurring not later than 8.00 a.m. on 25 March 2026 (or such later date determined by the Company in consultation with the Banks being no later than 16 April 2026), and the Placing Agreement not having been terminated prior to Admission.
- (iv) The Placing Agreement contains certain warranties, undertakings and indemnities given by the Company in favour of the Banks which are customary in agreements of this nature.
- (v) Under the Placing Agreement, the Banks will receive a base commission of 1.5% of the aggregate gross proceeds of the Placing and the US Private Placement and the Company may pay to the Banks at its absolute discretion an additional commission of up to 0.25% of the aggregate gross proceeds of the Placing and the US Private Placement. The Banks will not receive any commission in relation to the Connected Persons Subscription or the Retail Offer.
- (vi) The Company has agreed to pay all expenses of or incidental to the Capital Raise and Admission.
- (vii) The Banks may terminate the Placing Agreement at any time prior to Admission in certain customary circumstances set out in the Placing Agreement.
- (viii) Under the Placing Agreement, the Company has agreed that it will not, and will procure that its subsidiaries will not, without the prior written consent of each of the Banks (not to be unreasonably withheld or delayed), between the date of the Placing Agreement and the date which is 180 days after Admission, (i) offer, pledge, sell, contract to sell, grant any option, right, warrant or contract to purchase, purchase any option or contract to sell, lend or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or other shares in the capital of the Company or any securities convertible into or exchangeable for Ordinary Shares or other shares in the capital of the Company or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Ordinary Shares or other shares in the capital of the Company, provided that the foregoing restrictions shall not apply to (i) the issue of the New Ordinary Shares in connection with the Capital Raise and the Placing Agreement; and (ii) the allotment and issue, or transfer from treasury, of any Ordinary Shares, or the re-designation of any Incentive Shares as Ordinary Shares, in each case to effect conversion (in whole or in part) of any Incentive Shares into Ordinary Shares, in accordance with the Articles.

- (ix) Each of the Rosebank Co-Founders is subject to certain lock-in arrangements in respect of their respective holding of Ordinary Shares. Further details of the lock-in arrangements are set out in paragraph 6 of this Appendix VIII (*Additional Information*).

7.4 Investor letters

On 2 March 2026, the Company entered into investor letters with certain institutional investors in the United States in connection with the US Private Placement pursuant to which each such institutional investor irrevocably commits to subscribe under the US Private Placement, on the basis of the terms and conditions set out in the US Private Placement Document, for US Private Placement Shares at the Issue Price, conditional on, *inter alia*, Admission occurring no later than 25 March 2026, or such later date determined by the Company being no later than 16 April 2026. The investor letters and related terms and conditions contain customary provisions, including customary representations and warranties from each institutional investor for the benefit of the Company. The US Private Placement is fully underwritten by the Banks.

Material contracts relating to MW Components

7.5 MW Components Credit Agreement

On 31 March 2023, Helix Acquisition Holdings, Inc. (as borrower) and ASP MWI Intermediate Holdings, Inc. (as holdings) entered into a credit agreement (the “**MW Components Credit Agreement**”) with, among others, Bank of Montreal (as administrative agent), PNC Bank, National Association (as revolving agent) and certain financial institutions named therein, pursuant to which the lenders party thereto made available to Helix Acquisition Holdings, Inc. (a) a term loan in an initial aggregate principal amount of \$675,000,000, (b) revolving commitments in an initial aggregate principal amount of \$150,000,000 and (c) letter of credit commitments in an initial aggregate principal amount of \$20,000,000. As of 31 December 2025, approximately \$707,989,342 of an aggregate principal amount of loans were outstanding under the MW Components Credit Agreement. Substantially concurrently with the Transaction Completion, all outstanding loans and other amounts payable under the MWI Components Credit Agreement will be paid in full and the MWI Components Credit Agreement, and all related guarantees and security interests, will be terminated. As of 1 March 2026, letters of credit with a total face value of \$3,700,000 have been issued and remain outstanding under the MW Components Credit Agreement, which are expected to be replaced on or around Transaction Completion.

7.6 MW Components Promissory Note

On 10 October 2025, MWI Holdings Inc. (the “**MW Components Issuer**”) issued a promissory note (the “**MW Promissory Note**”) to the MW Components Seller, evidencing a loan from the MW Components Seller to the MW Components Issuer in an initial aggregate principal amount of \$1,882,106. Interest that accrues under the MW Promissory Note is payable in kind. Substantially concurrently with the closing of the transactions, the MW Promissory Note will be redeemed, all amounts owing in respect of the MW Promissory Note will be paid in full and the MW Promissory Note will be terminated.

7.7 MW Components Assistance Agreement

An indirect subsidiary of MW Components, Matthew Warren, Inc., has entered into an assistance agreement dated 1 October 2019, with the State of Connecticut acting by the Department of Economic and Community Development (the “**State**”) in connection with a relocation and expansion project (the “**Assistance Agreement**”). Pursuant to the Assistance Agreement, Matthew Warren, Inc. has received a loan of \$3,000,000 from the State evidenced by a note (the “**MW Assistance Promissory Note**”). As of 31 December 2025, an aggregate principal amount of \$1,708,024 remained outstanding under the MW Assistance Promissory Note. The Assistance Agreement will be terminated, and the MW Assistance Promissory Note will be redeemed, in each case, on or around Transaction Completion and amounts payable to the State pursuant to the MW Assistance Promissory Note will be repaid in full.

Material contracts relating to CPM

7.8 CPM Credit Agreement

- (i) On 28 September 2023, ASP CPM Intermediate Holdings, Inc. (as holdings), CPM Holdings and CPM Acquisition Corp. (together with CPM Holdings, the “**CPM Credit Borrowers**”), among others, entered into a credit agreement (the “**CPM Credit Agreement**”) with Jefferies Finance LLC (as administrative agent) and certain financial institutions named therein, pursuant to which the lenders party thereto made available to the CPM Credit Borrowers (a) a term loan in an initial aggregate principal amount of \$1,215,000,000, (b) revolving commitments in an initial aggregate principal amount of \$100,000,000 and (c) letter of credit commitments in an initial aggregate principal amount of \$15,000,000. As of 31 December 2025, \$1,207,925,000 aggregate principal amount of loans were outstanding under the CPM Credit Agreement. Substantially concurrently with Transaction Completion, all outstanding loans and other amounts payable under the CPM Credit Agreement will be paid in full and the CPM Credit Agreement, and all related guarantees and security interests, will be terminated. A letter of credit of up to BRL36,639,883 was issued and remains outstanding under the CPM Credit Agreement, which is expected to be replaced on or around Transaction Completion.

7.9 CPM European Revolving Credit Facility

- (i) CPM Europe B.V. (“**CPM Europe**”) (as company) and certain other European subsidiaries of CPM (each as a borrower and guarantor) have entered into a revolving facility agreement with Coöperatieve Rabobank U.A. (“**Rabobank**”) (as lender) originally dated 30 October 2020 (as amended and restated pursuant to an amendment and restatement agreement dated 3 February 2026 and made between, among others, Ceres Europe (as company) and Rabobank (as lender) (the “**CPM Amendment and Restatement Agreement**”) (the “**CPM European RCF Agreement**”). Pursuant to the CPM European RCF Agreement, Rabobank has made available to the CPM European RCF Borrowers a Euro-denominated revolving credit facility in an aggregate amount of €50,000,000 (the “**CPM European RCF**”). The proceeds of the CPM European RCF may be applied towards (i) the general corporate and working capital purposes of CPM Europe and its subsidiaries from time to time (the “**CPM European Group**”), permitted

acquisitions and capital expenditure up to a maximum amount of €15,000,000 (the “**RCF Tranche**”) or (ii) settling performance bonds, prepayment of bonds and certain other guarantees up to a maximum amount of €35,000,000 (the “**BGF Tranche**”). The CPM European RCF Agreement permits the lender to provide all or part of its revolving facility commitment as an ancillary facility.

- (ii) The CPM European RCF Agreement has a scheduled maturity date falling five years after the effective date under the CPM Amendment and Restatement Agreement and is governed by the laws of the Netherlands.

7.10 CPM European Ancillary Facility

- (i) The CPM European RCF Borrowers have entered into an ancillary facility agreement with Rabobank originally dated 30 October 2020 (as amended and restated pursuant to the CPM Amendment and Restatement Agreement) (the “**CPM European Ancillary Facility Agreement**”) under and in connection with the CPM European RCF.
- (ii) Pursuant to the CPM European Ancillary Facility Agreement, Rabobank has made available to the CPM European RCF Borrowers an ancillary facility in an aggregate amount of €50,000,000 (the “**CPM European Ancillary Facility**”) in place of its entire commitment under the CPM European RCF. The CPM European Ancillary Facility comprises of (a) a credit facility in a maximum amount of €15,000,000, (b) a guarantee facility in a maximum amount of €35,000,000 and (c) a balance compensation and interest netting facility in respect of certain accounts of certain CPM European RCF Borrowers as set out in the CPM Ancillary Facility Agreement. The proceeds of the CPM European Ancillary Facility may be used for the purposes permitted under the CPM European RCF only.
- (iii) The CPM European Ancillary Facility shall cease to be available on and from the termination date of the CPM European RCF Facility and is governed by the laws of the Netherlands.

7.11 CPM Promissory Note

On 13 December 2024, CPM issued a promissory note (the “**CPM Promissory Note**”) to American Securities Partners VII, L.P., American Securities Partners VII(B), L.P. and American Securities Partners VII(C), L.P. (the “**Holder**s”) evidencing a loan from the Holders to CPM in an initial aggregate principal amount of \$109,000,000. Interest that accrues under the CPM Promissory Note is payable in kind. As of 31 December 2025, the aggregate principal amount outstanding under the CPM Promissory Note was \$119,013,241. Substantially concurrently with Transaction Completion, the CPM Promissory Note will be redeemed, all amounts owing in respect of the CPM Promissory Note will be paid in full and the CPM Promissory Note will be terminated.

7.12 CPM Loan Agreements

CPM Seller has entered into a number of loan agreements and/or promissory notes with certain members of the CPM Group (the “**CPM Lenders**”) (the

“CPM Loan Agreements”) evidencing amounts owed by the CPM Seller to the relevant CPM Lenders pursuant to certain loans made available by, or notes issued to, the relevant CPM Lenders. As of 1 March 2026, the aggregate principal amount outstanding under the CPM Loan Agreements was \$134,315,529. Substantially concurrently with Transaction Completion, the CPM Loan Agreements will be prepaid and cancelled and all amounts owing to the CPM Lenders in respect of the CPM Loan Agreements will be paid in full.

8. Related party transactions

8.1 Other than as set out in this announcement, the July 2024 Admission Document and the June 2025 Admission Document, and save as disclosed in the notes to the audited results of the Group for the 12 months ended 31 December 2025 (available at: <https://www.rosebankindustries.com/>), no member of the Group has entered into any related party transaction since the date of the Company’s incorporation.

8.2 Other than as set out in the notes to the audited financial information contained in Appendix VI (*Historical Financial Information Relating to the Target Groups*) of this announcement, no member of the MW Components Group has entered into any related party transaction since 1 January 2023.

8.3 Other than as set out in the notes to the audited financial information contained in Appendix VI (*Historical Financial Information Relating to the Target Groups*) of this announcement, no member of the CPM Group has entered into any related party transaction since 1 October 2022.

9. Working capital

The Directors are of the opinion, having made due and careful enquiry, that, after taking into account the net proceeds of the Institutional Capital Raise and the New Debt Facilities, the working capital available to the Enlarged Group will be sufficient for its present requirements, that is, for at least 12 months from the date of Readmission.

10. Significant change

There has been no significant change in the financial performance or financial position of the Group since 31 December 2025, the date to which the last audited financial statements for the Group have been published.

There has been no significant change in the financial performance or financial position of the CPM Group since 30 September 2025, the date to which the last audited financial statements relating to the CPM Group have been published.

There has been no significant change in the financial performance or financial position of the MW Components Group since 31 December 2025, the date to which the last audited financial statements relating to the MW Components Group have been published.

11. Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group is aware) during the 12 months preceding the date of this announcement which may have, or have had in

the recent past, significant effects on the Company and/or the Group's financial position or profitability.

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months preceding the date of this announcement which may have, or have had in the recent past, significant effects on CPM and/or the CPM Group's financial position or profitability.

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months preceding the date of this announcement which may have, or have had in the recent past, significant effects on MW Components and/or the MW Components Group's financial position or profitability.

APPENDIX IX

IMPORTANT INFORMATION

The defined terms are set out in Appendix X (*Definitions*) to this announcement.

This announcement has been issued by, and is the sole responsibility of, Rosebank Industries plc.

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose whatsoever on the completeness, accuracy or fairness of the information or opinions contained in this announcement.

Nothing in this announcement constitutes legal, financial, tax or other advice or takes into account the particular investment objectives, financial situation, taxation position or needs of any person.

This announcement is not for publication, release or distribution, directly or indirectly, in whole or in part, in or into or from the United States, Australia, Canada, New Zealand, Japan, the Republic of South Africa or any other state or jurisdiction in which such publication, release or distribution would be unlawful. This announcement and the information contained herein is not intended to and does not contain or constitute an offer of, or the solicitation of an offer to buy or subscribe for, securities to any person in the United States, Australia, Canada, New Zealand, Japan, the Republic of South Africa or any other state or jurisdiction in which such an offer would be unlawful.

The distribution of this announcement may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The New Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States, absent registration or an applicable exemption from registration. The Company has no intention to register any part of the Capital Raise in the United States or make a public offering of securities in the United States.

This announcement is being distributed only to: (a) in a EEA Member State, persons who are 'qualified investors' as defined in Article 2(e) of Regulation (EU) 2017/1129, as amended ("**Qualified Investors**"); (b) in the United Kingdom, persons who are "qualified investors" within the meaning of paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024 who are persons (i) having professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Order**"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order; or (iii) persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended ("**FSMA**")) in connection with the sale of any securities of the Company may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "Relevant Persons"); and (c) in Australia, the following persons to whom a disclosure document is not required to be provided under Part 6D.2 of the Corporations Act 2001 (Cth) ("**Corporations Act**"): (i) "sophisticated investors" within the meaning of section 708(8) of the Corporations Act; or (ii) "experienced investors" meeting the criteria in section 708(10) of the Corporations Act; or (iii) "professional investors" within the meaning of section 708(11) of the Corporations Act (all such persons

together being referred to as “**Wholesale Investors**”). This announcement must not be acted on or relied on: (i) in the United Kingdom, by persons who are not Relevant Persons; (ii) in any EEA Member State, by persons who are not Qualified Investors; and (iii) in Australia, by persons who are not Wholesale Investors. Any investment or investment activity to which this announcement relates is available only to or will be engaged only with: (i) Relevant Persons in the United Kingdom; (ii) Qualified Investors in any EEA Member State; and (iii) Wholesale Investors in Australia. Persons into whose possession this announcement comes are required to inform themselves about and to observe any such restrictions.

Each of: (i) the Company; and (ii) Barclays Bank PLC (“**Barclays**”), Citigroup Global Markets Limited (“**Citigroup**”), Jefferies International Limited (“**Jefferies**”) and Investec Bank plc (“**Investec**”) (together, the “**Banks**”), and (iii) N.M. Rothschild & Sons (“**Rothschild & Co**”) and in each case, their respective affiliates as defined under Rule 501(b) of Regulation D under the Securities Act (“**affiliates**”), expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statement contained in this announcement whether as a result of new information, future developments or otherwise.

No representation or warranty, express or implied, is made or given by or on behalf of the Company, the Banks, Rothschild & Co or any of their respective parent or subsidiary undertakings or the subsidiary undertakings of any such parent undertakings, or any of such person’s directors, officers, affiliates, agents, advisers, employees, or any other person, as to the accuracy, completeness or fairness of the information or opinions contained in this announcement and no responsibility or liability is accepted for any such information or opinions.

Each of Investec, Barclays and Citigroup is authorised by the Prudential Regulation Authority (the “**PRA**”) and regulated in the UK by the PRA and the Financial Conduct Authority (the “**FCA**”). Jefferies is authorised and regulated in the UK by the FCA. Each Bank is acting exclusively for the Company and no one else in connection with the Placing and Admission. They will not regard any other person (whether or not a recipient of this announcement) as their client in relation to the Placing and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for giving advice in relation to the Placing and Admission or any transaction or arrangement referred to in this announcement. None of the Banks or any of their affiliates, directors or employees owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, consequential, whether in contract, in tort, in delict, under statute or otherwise) to any person who is not a client of the relevant Bank in connection with the Placing and Admission or any transaction or arrangement referred to in this announcement. Rothschild & Co, which is authorised and regulated in the UK by the FCA, is acting exclusively for the Company and for no one else in connection with the subject matter of this announcement and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in connection with the subject matter of this announcement.

In connection with the Admission and the Placing, the Banks, and any of their respective affiliates, may take up a portion of the New Ordinary Shares as a principal position and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Admission, the Placing, or otherwise. Accordingly, references to the New Ordinary Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by the Banks, and any of their respective affiliates acting in such capacity. In addition, the Banks, and any of their respective affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which they may from time to time acquire, hold or dispose of New Ordinary Shares. Further to any contractual obligations that may be in place between the Company and the Banks, in the event that the Bank or their

respective affiliates subscribe for New Ordinary Shares in the Institutional Capital Raise which are not taken up by relevant subscribers, the Banks and their respective affiliates may for a limited period co-ordinate disposals of such shares in accordance with applicable law and regulation. Neither the Banks, nor any of their respective affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Forward looking statements

This announcement includes statements that are, or may be deemed to be, 'forward-looking statements'. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'believes', 'estimates', 'plans', 'projects', 'anticipates', 'expects', 'intends', 'may', 'will', or 'should', or, in each case, their negative or other variations or comparable terminology.

All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Group's actual results to differ materially from those indicated in these statements. These factors include, but are not limited to, those described in Appendix III (*Risk Factors*) to this announcement. Any forward-looking statements in this announcement reflect the Company's current views, intentions, beliefs or expectations with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Group's operations, results of operations, growth strategy and liquidity.

These forward-looking statements speak only as at the date of this announcement. Subject to any applicable obligations, the Company undertakes no obligation to update publicly or review any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or individuals acting on behalf of the Company or the Group are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this announcement which could cause actual results to differ before making an investment decision.

For the avoidance of doubt, the contents of the Company's website or any website directly or indirectly linked to the Company's website are not incorporated by reference into, and do not form part of, this announcement.

Information to distributors

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK Product Governance Requirements**"), and/or any equivalent requirements elsewhere to the extent determined to be applicable, and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the New Ordinary Shares have been subject to a product approval process, which has determined that the New Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in Chapter 3 of the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all permitted distribution channels (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, "distributors" (for the purposes of the UK Product Governance Requirements) should note that: the price of the New Ordinary Shares may decline and investors could lose all or part of their investment; the New Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the New Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital

protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Banks will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the New Ordinary Shares and determining appropriate distribution channels.

APPENDIX X

DEFINITIONS

The following definitions apply in this announcement, unless the context otherwise requires:

“Acquired Business” a company or business acquired by the Company pursuant to its strategy as described in Appendix III (*Risk Factors*) of this announcement

“Acquisition Agreements” the MW Components Acquisition Agreement and the CPM Acquisition Agreement and each, an **“Acquisition Agreement”**

“Admission” the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules

“Admission Document” the AIM admission document pursuant to the AIM Rules comprising an MTF Admission Prospectus within the meaning of regulation 21(3) of the Public Offers and Admissions to Trading Regulations 2024 to be published by the Company in connection with Admission and Readmission

“Adjusted EBITDA” has the meaning given to it in Appendix VI (*Historical Financial Information Relating to the Target Groups*) of this announcement

“Adjusting Items” has the meaning given to it in Appendix VI (*Historical Financial Information Relating to the Target Groups*) of this announcement

“Adjusted Net Revenue” has the meaning given to it in Appendix VI (*Historical Financial Information Relating to the Target Groups*) of this announcement

“Adjusted Operating Profit” has the meaning given to it in Appendix VI (*Historical Financial Information Relating to the Target Groups*) of this announcement

“AIM” AIM, the market of that name operated by the London Stock Exchange

“AIM Rules” the AIM Rules for Companies published by the London Stock Exchange from time to time

“American Securities” means American Securities LLC

“Announcement” means this announcement and its appendices

“Arrangers” has the meaning given to it in Appendix VIII (*Additional Information*) of this announcement

“Articles” the articles of association of the Company adopted by special resolution of the Company passed on 8 July 2024 and which became effective on 11 July 2024

“Assistance Agreement” has the meaning given to it in Appendix VIII (*Additional Information*) of this announcement

“Banks” Investec, Barclays, Citigroup and Jefferies and each, a **“Bank”**

“Barclays” Barclays Bank PLC

“Board” the board of directors of the Company

“Bribery Act” UK Bribery Act of 2010

“Buyer” each of Ceres Bidco and Mosaic Bidco and together, the **“Buyers”**

“Capital Raise” the Placing, the US Private Placement, the Retail Offer and the Connected Persons Subscription

“Cerberus” funds managed and/or advised by Cerberus Capital Management, L.P.

“Citigroup” Citigroup Global Markets Limited

“Companies Law” the Companies (Jersey) Law 1991 (as amended) and subordinate legislation thereunder

“Company” or **“Rosebank”** Rosebank Industries plc

“Completion Consideration” the consideration payable upon Transaction Completion

“Connected Persons” the Rosebank Directors and certain senior Rosebank employees and associates as set out in paragraph 3 of Appendix VIII (*Additional Information*)

“Connected Persons Shares” the 3,722,732 New Ordinary Shares to be subscribed for in connection with the Connected Persons Subscription

“Connected Persons Subscription” the subscription by the Connected Persons for the Connected Persons Shares, conditional on Admission, at the Issue Price at the time of, but outside of, the Institutional Capital Raise and the Retail Offer

“CPM” ASP CPM Holdings, Inc.

“CPM Acquisition” the proposed acquisition by the Company through Ceres Bidco of CPM

“CPM Acquisition Agreement” the share purchase agreement between Ceres Bidco and CPM Seller in relation to the CPM Acquisition, dated 3 March 2026

“CPM Amendment and Restatement Agreement” means an amendment and restatement agreement dated 3 February 2026 and made between, among others, CPM Europe (as company) and Rabobank (as lender)

“Ceres Bidco” Ceres BidCo Corp., a wholly owned subsidiary of the Company

“CPM Credit Agreement” has the meaning given to it in Appendix VIII (*Additional Information*) of this announcement

“CPM Credit Borrowers” has the meaning given to it in Appendix VIII (*Additional Information*) of this announcement

“CPM Europe” CPM Europe B.V.

“CPM European Group” CPM Europe B.V. and its subsidiaries

“CPM European Ancillary Facility” means an ancillary facility in an aggregate amount of €50,000,000 made available by Rabobank to CPM Europe and the CPM European RCF Borrowers pursuant to the CPM European Ancillary Facility Agreement

“CPM European Ancillary Facility Agreement” means the ancillary facility agreement with

Rabobank originally dated October 30, 2020 as amended pursuant to the CPM Amendment and Restatement Agreement

“**CPM European RCF**” means the Euro-denominated revolving credit facility in an aggregate amount of €50,000,000 made available to the CPM European RCF Borrowers pursuant to the CPM European RCF Agreement

“**CPM European RCF Agreement**” means a revolving facility agreement with Rabobank (as company) and certain other European subsidiaries of CPM (each as a borrower and guarantor) originally dated 30 October 2020, as amended and restated pursuant to the CPM Amendment and Restatement Agreement

“**CPM European RCF Borrowers**” means the borrowers under the CPM European RCF Agreement

“**CPM Excluded Entities**” CPM and ASP CPM Intermediate Holdings, Inc

“**CPM Group**” CPM and its subsidiaries from time to time

“**CPM Holdings**” CPM Holdings, Inc

“**CPM Lenders**” has the meaning given to it in Appendix VIII (*Additional Information*) of this announcement

“**CPM Loan Agreements**” has the meaning given to it in Appendix VIII (*Additional Information*) of this announcement

“**CPM Promissory Note**” has the meaning given to it in Appendix VIII (*Additional Information*) of this announcement

“**CPM Seller**” ASP CPM Holdings, LLC

“**CREST**” the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in those CREST Regulations)

“**CREST Regulations**” as applicable, the UK Uncertificated Securities Regulations 2001 or the Companies (Uncertificated Securities) (Jersey) Order 1999, in each case as amended from time to time

“**Current US Administration**” means the US administration inaugurated on 20 January 2025

“**DCFX**” the deal contingent foreign exchange forward(s) to be entered into with certain financial institution(s)

“**Debt Commitment Documents**” the debt commitment letter entered into between Mosaic Bidco, Ceres Bidco and certain of its relationship banks on 3 March 2026

“**Directors**” the directors of the Company, whose names are set out in Appendix VIII (*Additional Information*) of this announcement

“**DTR**” the UK Disclosure Guidance and Transparency Rules produced by the FCA and forming part of the handbook of the FCA, as, from time to time, amended

“**EBITDA**” net income adjusted for interest, tax, depreciation and amortisation

“EEA” European Economic Area

“ECI” Electrical Components International

“ECI Acquisition” the acquisition by the Company of ECI in August 2025

“ECI Excluded Entities” Energy TopCo Ltd and Energy MidCo Ltd

“ECI Group” Electrical Components International and its subsidiaries from time to time

“Energy Holdings” Energy Holdings (Cayman) Ltd

“Enlarged Group” the Group including the MW Components Group and CPM Group following Transaction Completion

“Enlarged Share Capital” the issued share capital of the Company on Admission comprising the Existing Ordinary Shares and the New Ordinary Shares

“Euroclear” Euroclear UK & International Limited, the Operator (as defined in the CREST Regulations) of CREST

“EU Prospectus Regulation” Regulation (EU) 2017/1129 (as amended)

“Executive Directors” Simon Peckham and Matt Richards

“Existing Ordinary Shares” the Ordinary Shares in issue at the date of this announcement

“Extended Longstop Date” 3 March 2027

“Facilities” Facility A and Facility B

“Facilities Agreement” senior term and revolving credit facilities agreement to be entered into between the Original Obligors and the Lenders, among others

“Facility A” term loan commitments in the aggregate principal amount of \$900,000,000 pursuant to the Debt Commitment Documents

“Facility B” multi-currency revolving commitments in an aggregate principal amount of \$1,000,000,000 pursuant to the Debt Commitment Documents

“FCA” the UK Financial Conduct Authority

“FCPA” US Foreign Corrupt Practices Act of 1977

“Finance Act” the Finance (No.2) Bill 2024-2026

“Form of Proxy” the form of proxy to accompany the Admission Document relating to the General Meeting

“FSMA” the UK Financial Services and Markets Act 2000, as amended

“General Meeting” the general meeting of the Company to be held to approve the Resolutions

“Gilchrist Bidco” Gilchrist Bidco Corp.

“Group” or **“Rosebank Group”** the Company and its subsidiary undertakings from time to time

“IFRS” International Financial Reporting Standards, as issued by the International Accounting Standards Board

“Incentive Shares” the incentive shares of no par value in the capital of the Company, having the rights set out in the Articles

“Initial Longstop Date” 3 December 2026

“Institutional Capital Raise” the Placing and the US Private Placement

“Internal Revenue Code” US Internal Revenue Code of 1986, as amended

“Investec” Investec Bank plc

“IRS” Internal Revenue Service

“Issue Price” £3.30 per New Ordinary Share

“Jefferies” Jefferies International Limited

“Jersey” the Bailiwick of Jersey

“Joint Global Coordinators” Barclays, Citigroup, Jefferies and Investec

“July 2024 Admission” the admission of the Company to AIM, on 11 July 2024

“July 2024 Admission Document” the admission document published by the Company in connection with the July 2024 Admission

“July 2024 Placing” the placing pursuant to the July 2024 Placing Agreement

“July 2024 Placing Agreement” the placing agreement between the Company and the Previous Joint 2024 Bookrunners dated 9 July 2024

“June 2025 Admission Document” the admission document published by the Company in connection with the ECI Acquisition

“Latest Practicable Date” means 2 March 2026, being the latest business day prior to the publication of this announcement

“London Stock Exchange” the London Stock Exchange plc

“Longstop Date” the Initial Longstop Date or the Extended Longstop Date (as applicable)

“LTIP” Rosebank long term incentive plan

“Melrose” means Melrose Industries PLC

“MW Components” ASP MWI Holdings, Inc., together with its subsidiaries operating under the “MW Components” brand

“MW Components Acquisition” the proposed acquisition by the Company through Mosaic Bidco of MW Components

“MW Components Acquisition Agreement” the share purchase agreement between Mosaic Bidco and the MW Components Seller in relation to the MW Components Acquisition, dated 3 March 2026

“Mosaic Bidco” Mosaic BidCo Corp., a wholly owned subsidiary of the Company

“MW Components Excluded Entities” MW Components and ASP MWI Intermediate Holdings, Inc.

“MW Components Group” MW Components and its subsidiaries from time to time

“MW Components Seller” ASP MWI Holdings, L.P.

“Non-Executive Directors” Justin Dowley, Christopher Miller and Fiona MacAulay

“New Debt Facilities” the debt financing to be made available pursuant to an English law senior term and revolving facilities agreement to be entered into between, amongst others, Rosebank Industries Holdings Limited as the company and certain financial institutions named therein as original lenders

“New Ordinary Shares” the Placing Shares, the US Private Placement Shares, the Retail Offer Shares and the Connected Persons Shares

“Non-GAAP Measures” has the meaning given to it on Appendix VI (*Historical Financial Information Relating to the Target Groups*) of this announcement

“Official List” the Official List of the FCA

“Ordinary Shares” the ordinary shares of no par value in the capital of the Company

“Original Obligors” Rosebank, RIHL, Gilchrist BidCo, Ceres Bidco and Mosaic Bidco

“Placing” the placing of the Placing Shares by the Company pursuant to the Placing Agreement

“Placing Agreement” the conditional placing agreement dated 3 March 2026 between the Banks and the Company relating to the Placing

“Placing Shares” the New Ordinary Shares which are the subject of the Placing

“PRA” the UK Prudential Regulation Authority

“Previous Joint 2024 Bookrunners” the joint bookrunners in relation to the July 2024 Placing

“Rabobank” Coöperatieve Rabobank U.A.

“Rosebank Co-Founders” the Executive Directors and the Senior Executives

“Rosebank Directors” the Executive Directors and the Non-Executive Directors

“Readmission” the admission of the Enlarged Group to trading on AIM becoming effective in accordance with the AIM Rules

“Regulation S” Regulation S under the US Securities Act

“Remuneration Committee” the remuneration committee of the Company

“Resolutions” the resolutions proposed to be passed at the General Meeting

“RetailBook” Retail Book Limited

“Retail Offer” the retail offer of up to £20 million of New Ordinary Shares for existing UK retail Shareholders, who have not been invited to participate in the Institutional Capital Raise, and new UK retail investors through RetailBook’s network of investment platforms, retail brokers and wealth managers

“Retail Offer Shares” the new Ordinary Shares to be subscribed for in connection with the Retail Offer

“RIHL” Rosebank Industries Holdings Limited

“Rothschild & Co” N.M. Rothschild & Sons Limited

“SDRT” Stamp Duty and Stamp Duty Reserve Tax

“Sellers” the MW Components Seller and the CPM Seller

“Senior Executives” Joff Crawford, Jim Slattery and Geoff Morgan

“Series A Incentive Shares” the Incentive Shares designated as “Series A” and having the rights set out in the Articles

“Series A Preferred Units” has the meaning given to it in Section A of Appendix VI (*Historical Financial Information relating to the Target Groups*)

“Series B Incentive Shares” the Incentive Shares designated as “Series B” and having the rights set out in the Articles

“Series C Incentive Shares” the Incentive Shares designated as “Series C” and having the rights set out in the Articles

“Shareholder” a holder of Ordinary Shares

“Substantial Business Activities Test” has the meaning given to it in Appendix VII (*UK, Jersey and US Tax Considerations*) of this announcement

“Target Entities” MW Components and CPM and each a **“Target Entity”**

“Target Groups” the MW Components Group and the CPM Group and each a **“Target Group”**

“Target Market Assessment” has the meaning given to it on Appendix IX (*Important Information*) of this announcement

“Transaction” the MW Components Acquisition and the CPM Acquisition

“Transaction Completion” the completion of the Transaction

“Transaction Resolutions” the resolutions of the Company to effect the Transaction and the Capital Raise

“**UK**” the United Kingdom of Great Britain and Northern Ireland

“**UK Product Governance Requirements**” has the meaning given to it on Appendix IX (*Important Information*) of this announcement

“**UK resident individual shareholder**” has the meaning given to it in Appendix VII (*UK, Jersey and US Tax Considerations*) of this announcement

“**US**” or “**United States**” the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia

“**US GAAP**” US generally accepted accounting principles

“**US Private Placement**” the private placement to a limited number of institutional investors in the US

“**US Private Placement Document**” the offering document distributed by the Company to institutional investors in connection with the US Private Placement

“**US Private Placement Shares**” the New Ordinary Shares to be subscribed for in connection with the US Private Placement

“**US Securities Act**” the US Securities Act of 1933, as amended

“**60% Ownership Test**” has the meaning given to it in Appendix VII (*UK, Jersey and US Tax Considerations*) of this announcement

“**80% Ownership Test**” has the meaning given to it in Appendix VII (*UK, Jersey and US Tax Considerations*) of this announcement