20251003050644

Årsstämman godkänner styrelsens förslag

Undertecknad styrelseledamot och VD i DRI Europa AB (556603-0192) intygar att resultaträkningen och balansräkningen har fastställts på årsstämman den 12 sept 2025. Årsstämman beslutade att godkänna styrelsens förslag till hur [vinsten/förlusten] ska disponeras.

Jag intygar också att innehållet i årsredovisningen stämmer överens med originalet.

Göteborg 12 sept 2025

Daneel Munthe

20251003605421

Årsredovisning

för

DRI Europa Aktiebolag

556603-0192

Räkenskapsåret

2024-03-01 - 2025-02-28

Document ID 09222115557556700247 Signed RB, DM, KC, EV, SP

20251003060555

Styrelsen för DRI Europa Aktiebolag avger följande årsredovisning för räkenskapsåret 2024-03-01 - 2025-02-28.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i tusentals kronor (Tkr). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Information om verksamheten

Koncernens verksamhet består av utveckling, produktion. Marknadsföring, försäljning och service av passagerarinformationssystem som används i kollektivtrafik.

Miljö

Bolaget bedriver inte verksamhet som är anmälningspliktig eller tillståndspliktig enligt miljöbalken.

Företaget har sitt säte i Herrljunga.

Väsentliga händelser under räkenskapsåret

Inga väsentliga händelser under räkenskapsåret.

Väsentliga händelser efter räkenskapsårets slut

Vid styrelsemöte och bolagsstämma den 7 maj 2025 beslutades om apportemission där bolaget som betalning för en (1) nyemitterade aktier i bolaget mottog följande apportegendom: 1000 aktier i LTG Rail Denmark ApS.

Ägarförhållanden

DRI Europa AB med säte i Herrljunga är ett helägt dotterbolag till LTG International Holdings S.a.r.l., reg no B 185.379, med säte i Luxemburg som i sin tur ägs av LTG Acquisition S.a.r.l., från Luxemburg.

DRI Europa AB grundades under räkenskapsåret 2001 och driver framför allt dotterbolag LTG Sweden AB i Herrljunga, Sverige och LTG rail Danmark ApS (med säte i Sønderborg, Danmark)

LTG Sweden AB har tre helägda dotterbolag: Mobitec Australia pty Ltd som är beläget i Sydney, Australien och Mobitec Brasil Ltda med säte i Caxias do SUL, Brasilien, samt Mobitec GmbH. Rastatt, Tyskland.

Mobitec Ulm GmbH i sin tur har tre helägda dotterbolag som är beläget i Rastatt, Tyskland: LTG Ulm GmbH, LTG Informationssysteme holding GmbH och LTG Rastatt GmbH.

DRI Europa AB upprättar ingen koncernredovisning med hänvisning till ÅRL 7:2, se även not 1.

Flerårsöversikt (Tkr)	**2024/25**	**2023/24**	**2022/23**	**2021/22**	**2020/21**
Resultat efter finansiella poster	-9 023	-15 267	-23 355	-16 856	-4 917
Balansomslutning	305 793	298 873	289 887	278 286	266 645
Soliditet (%)	4,1	7,3	2,4	3,7	9,7

Minskningen av årets förlust beror på den totala minskningen av det finansiella nettoresultatet, vilket i sin tur minskade primärt på grund av valutaeffekterna samt ränteintäkterna/kostnaderna från koncernlån

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Förändringar i eget kápital (Tkr)

	Aktiekapital	Balanserat resultat	Årets resultat	Totalt
Belopp vid årets ingång	10 000	26 979	-15 267	**21 712**
Disposition enligt beslut av årsstämman:				
Balanseras i ny räkning		-15 267	15 267	**0**
Årets resultat			-9 023	**-9 023**
Belopp vid årets utgång	**10 000**	**11 712**	**-9 023**	**12 689**

Erhållet villkorat aktieägartillskott ingår i fritt eget kapital med 69 835 535 KR (69 835 535 KR)

Aktiekapitalet består av 100 000 st A-aktier med kvotvärde 100 kr.

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	11 711 895
årets förlust	-9 022 580
	2 689 315

disponeras så att	
i ny räkning överföres	2 689 315
	2 689 315

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

20251103165057

Resultaträkning

Tkr

	Not	2024-03-01 -2025-02-28	2023-03-01 -2024-02-29
Rörelsens kostnader			
Övriga externa kostnader		362	-1 462
		362	**-1 462**
Rörelseresultat		**362**	**-1 463**
Resultat från finansiella poster			
Övriga ränteintäkter och liknande resultatposter	2	8 354	9 001
Räntekostnader och liknande resultatposter	3	-17 739	-22 805
		-9 385	**-13 804**
Resultat efter finansiella poster		**-9 023**	**-15 267**
Resultat före skatt		**-9 023**	**-15 267**
Årets resultat		**-9 023**	**-15 267**

20251003036059

Balansräkning

Tkr

	Not	2025-02-28	2024-02-29
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	4, 5	160 193	160 193
		160 193	**160 193**
Summa anläggningstillgångar		**160 193**	**160 193**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		145 574	138 661
		145 574	**138 661**
Kassa och bank		26	18
Summa omsättningstillgångar		**145 600**	**138 679**
SUMMA TILLGÅNGAR		**305 793**	**298 872**

20251003064059

Balansräkning

Tkr

	Not	2025-02-28	2024-02-29
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		10 000	10 000
		10 000	**10 000**
Fritt eget kapital			
Balanserad vinst eller förlust		11 712	26 979
Årets resultat		-9 023	-15 267
		2 689	**11 712**
Summa eget kapital		**12 689**	**21 712**
Långfristiga skulder			
Skulder till koncernföretag	6	292 742	276 041
Summa långfristiga skulder		**292 742**	**276 041**
Kortfristiga skulder			
Leverantörsskulder		0	19
Upplupna kostnader och förutbetalda intäkter		362	1 100
Summa kortfristiga skulder		**362**	**1 119**
SUMMA EGET KAPITAL OCH SKULDER		**305 793**	**298 872**

20251003060060

Noter
Tkr

Not 1 Redovisnings- och värderingsprinciper
Allmänna upplysningar
Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Redovisningsprinciperna är oförändrade jämfört med föregående år.

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

Andelar i dotterföretag
Andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott läggs till anskaffningsvärdet när de uppkommer.

Utdelning från dotterföretag redovisas som intäkt.

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

Låneskulder och leverantörsskulder
Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader. Skiljer sig det redovisade beloppet från det belopp som ska återbetalas vid förfallotidpunkten periodiseras mellanskillnaden som räntekostnad över lånets löptid med hjälp av instrumentets effektivränta. Härigenom överensstämmer vid förfallotidpunkten det redovisade beloppet och det belopp som ska återbetalas.

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

Inkomstskatter
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekter redovisas i eget kapital.

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

Uppskjuten skatt
Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna metod redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån gällande skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den omfattning det är sannolikt att avdragen kan avräknas mot framtida skattemässiga överskott.

På grund av sambandet mellan redovisning och beskattning särredovisas inte den uppskjutna skatteskulden som är hänförlig till obeskattade reserver.

Koncernbidrag
Erhållna och lämnade koncernbidrag redovisas som bokslutsdispositioner.

Koncernförhållanden
Företaget är moderföretag men med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2§ upprättas ingen egen koncernredovisning. Det överordnade moderföretaget Luminator Technology Group LLC. reg no 46-5197532, med säte i Texas upprättar koncernredovisning.

Nyckeltalsdefinitioner
Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Balansomslutning
Företagets samlade tillgångar.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Not 2 Övriga ränteintäkter och liknande resultatposter

	2024-03-01 -2025-02-28	2023-03-01 -2024-02-29
Ränteintäkter från koncernföretag	7 410	7 427
Kursdifferenser	944	1 574
	8 354	**9 001**

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Not 3 Räntekostnader och liknande resultatposter

	2024-03-01 -2025-02-28	2023-03-01 -2024-02-29
Räntekostnader till koncernföretag	-17 241	-18 375
Kursdifferenser	-498	-4 430
	-17 739	**-22 805**

Not 4 Andelar i koncernföretag

	2025-02-28	2024-02-29
Ingående anskaffningsvärden	541 991	541 991
Utgående ackumulerade anskaffningsvärden	**541 991**	**541 991**
Ingående nedskrivningar	-381 798	-381 798
Utgående ackumulerade nedskrivningar	**-381 798**	**-381 798**
Utgående redovisat värde	**160 193**	**160 193**

Not 5 Specifikation andelar i koncernföretag

Namn	Kapital-andel	Rösträtts-andel	Antal andelar	Bokfört värde
LTG Sweden AB	100,0	100,0	100 000	91 730
LTG Rail Denmark ApS	100,0	100,0	500 001	68 463
				160 193

	Org.nr	Säte
LTG Sweden AB	556546-6793	Herrljunga, Sverige
LTG Rail Denmark ApS	10658284	Sønderborg, Danmark

Not 6 Långfristiga skulder

	2025-02-28	2024-02-29
Förfaller senare än fem år efter balansdagen		
Skulder till koncernföretag	292 742	276 041
	292 742	**276 041**

Not 7 Ställda säkerheter

	2025-02-28	2024-02-29
För koncernföretags skulder till kreditinstitut:		
Pant i dotterföretagsaktier	160 193	160 193
	160 193	**160 193**

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Not 8 Eventualförpliktelser

DRI Europa AB svarar solidariskt för moderbolaget, LTG International Holdings S.a.r.l. och dess dotterföretags skulder till kreditinstitut.

Not 9 Väsentliga händelser efter räkenskapsårets slut

Vid styrelsemöte och bolagsstämma den 7 maj 2025 beslutades om apportemission där bolaget som betalning för en (1) nyemitterade aktier i bolaget mottog följande apportegendom: 1000 aktier i LTG Rail Denmark ApS.

Underskriven den dag som framgår av min elektroniska underskrift

Richard Berg
Ordförande

Katazyna Cyrul

Daneel Munthe

Enrico Vassallo

Vår revisionsberättelse har lämnats den dag som framgår av min elektroniska underskrift

Grant Thornton Sweden AB

Sofia Pihl
Auktoriserad revisor

Verification

Document ID 09222115557556700247

Document

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Verification

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20251003060067

Revisionsberättelse

Till bolagsstämman i DRI Europa Aktiebolag

Org.nr. 556603 - 0192

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för DRI Europa Aktiebolag för räkenskapsåret 2024-03-01 - 2025-02-28.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av DRI Europa Aktiebolags finansiella ställning per den 28 februari 2025 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

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

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

Övriga upplysningar

Revisionen av årsredovisningen för räkenskapsåret 2023-03-01 - 2024-02-29 har utförts av en annan revisor vars uppdrag upphörde i förtid och som lämnat en revisionsberättelse daterad 30 augusti 2024 med omodifierade uttalanden i Rapport om årsredovisningen.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

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

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

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

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

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

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för DRI Europa Aktiebolag för räkenskapsåret 2024-03-01 - 2025-02-28 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

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

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till DRI Europa Aktiebolag enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

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

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

• företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
• på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

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

Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Anmärkning

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

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Göteborg, enligt datum som framgår av elektronisk signering.
Grant Thornton Sweden AB

Sofia Pihl
Auktoriserad revisor

Följande handlingar fogas till revisionsberättelsen:

- Kopia av tidigare revisors anmälan enligt 9 kap. 23 § aktiebolagslagen.
- Kopior av underrättelser enligt 9 kap. 23 a § aktiebolagslagen.

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Document summary

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Activity log

RECIPIENT	ACTION*	TIMESTAMP (CET)	METHOD	DETAILS
1. Sofia Irene Pihl	**Signed**	**11.09.2025 19:43**	**eID**	**Swedish BankID (DOB: 1985/05/18)**
sofia.pihl@se.gt.com	Authenticated	11.09.2025 19:41	Low	IP: 194.14.78.10

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Luminator Technology Group, LLC and Subsidiaries

Consolidated Financial Statements and Report of Independent Certified Public Accountants

For the years ended February 28, 2025 and February 29, 2024

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Luminator Technology Group, LLC and Subsidiaries

Opinion

We have audited the consolidated financial statements of Luminator Technology Group LLC (a Delaware corporation) and Subsidiaries (the "Company"), which comprise the consolidated balance sheets as of February 28, 2025 and February 29, 2024 and the related consolidated statements of loss and comprehensive loss, members' deficit, 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 February 28, 2025 and February 29, 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 available to be issued.

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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

Dallas, Texas
July 28, 2025

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Luminator Technology Group, LLC and Subsidiaries

Consolidated Balance Sheets
February 28, 2025 and February 29, 2024

	2025	2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 8,305,063	$ 10,599,671
Restricted cash	453,370	599,022
Accounts receivable, less allowances of $3.2 million and $2.1 million	36,300,233	30,577,717
Inventories	70,631,405	78,842,782
Prepaid expenses and other current assets	10,732,776	12,702,737
Total current assets	126,422,847	133,321,929
Property, plant, and equipment, net	8,543,843	11,262,764
Intangible assets, net	35,710,578	40,838,995
Goodwill, net	182,444,211	210,024,200
Right-of-use asset - operating leases	14,110,338	6,354,549
Deferred income tax assets	345,009	1,625,678
Other long-term assets	7,957,141	8,254,294
Total assets	$ 375,533,967	$ 411,682,409
LIABILITIES AND MEMBERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 22,615,446	$ 27,323,222
Accrued expenses	19,069,549	28,295,529
Income taxes payable	2,662,959	1,176,453
Deferred revenue	3,522,579	1,159,059
Current portion of long-term debt due to third party	833,333	-
Operating lease liability - short term	3,112,535	2,843,459
Total current liabilities	51,816,401	60,797,722
Accrued interest, due to related party	32,492,657	19,989,230
Deferred revenue	3,312,997	8,987,845
Revolving credit facility, net	17,120,000	29,033,516
Long-term debt, net, due to related party	411,098,430	381,743,304
Long-term debt, net, due to third party	20,000,000	-
Operating lease liability - long term	11,082,236	3,614,190
Other long-term liabilities	2,466,824	2,690,989
Deferred income tax liabilities	1,147,989	1,104,121
Total liabilities	550,537,534	507,960,917
Commitments and contingencies (Note 9)		
Members' deficit	(175,003,567)	(96,278,508)
Total liabilities and members' deficit	$ 375,533,967	$ 411,682,409

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

Luminator Technology Group, LLC and Subsidiaries

Consolidated Statements of Loss and Comprehensive Loss
For the years ended February 28, 2025 and February 29, 2024

	2025	2024
Net sales	$ 240,837,638	$ 235,058,200
Cost of sales	185,184,626	201,387,740
Gross profit	55,653,012	33,670,460
Selling, general and administrative expenses	80,137,447	89,960,394
Operating loss	(24,484,435)	(56,289,934)
Interest expense, due to related party	37,200,000	34,700,000
Interest expense, due to third party	9,108,115	5,560,701
Loss before income taxes	(70,792,550)	(96,550,635)
Income tax expense (benefit)	4,135,971	(1,833,498)
Net loss	(74,928,521)	(94,717,137)
Comprehensive income (loss):		
Net loss	(74,928,521)	(94,717,137)
Other comprehensive income (loss) - foreign currency translation	(3,635,097)	3,437,428
Other comprehensive income (loss) - defined benefit plan, net of tax	(161,441)	183,080
Comprehensive loss	$ (78,725,059)	$ (91,096,629)

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

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Luminator Technology Group, LLC and Subsidiaries

Consolidated Statements of Members' Deficit
For the years ended February 28, 2025 and February 29, 2024

	Members' Deficit	Accumulated Other Comprehensive Income	Total Members' Deficit
Balance at February 28, 2023	$ (6,546,055)	$ 1,364,176	$ (5,181,879)
Foreign currency translation adjustment	-	3,437,428	3,437,428
Defined benefit plan adjustments, net of tax	-	183,080	183,080
Net loss	(94,717,137)	-	(94,717,137)
Balance at February 29, 2024	(101,263,192)	4,984,684	(96,278,508)
Foreign currency translation adjustment	-	(3,635,097)	(3,635,097)
Defined benefit plan adjustments, net of tax	-	(161,441)	(161,441)
Net loss	(74,928,521)	-	(74,928,521)
Balance at February 28, 2025	$ (176,191,713)	$ 1,188,146	$ (175,003,567)

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

Luminator Technology Group, LLC and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended February 28, 2025 and February 29, 2024

	2025	2024
Cash flows from operating activities:		
Net loss	$ (74,928,521)	$ (94,717,137)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	33,023,189	34,912,436
Amortization of deferred engineering costs	2,055,616	5,485,589
Bad debt expense	24,049	-
Deferred income taxes	1,324,537	(2,536,329)
Amortization of debt discount	6,561,955	6,615,355
Non-cash interest on paid-in-kind notes and term loans	39,503,401	31,317,455
Amortization of right-of-use assets	(27,666)	2,380,801
Defined benefit plan	(161,441)	183,080
Changes in assets and liabilities:		
Accounts receivable	(5,746,565)	8,169,226
Inventories	8,211,377	1,796,273
Prepaid expenses and other assets	2,159,614	6,547,463
Accounts payable	(4,707,776)	(16,185,051)
Operating lease liability	5,639	(2,371,017)
Deferred revenue	(3,311,328)	5,533,951
Income taxes payable	1,486,506	(1,296,814)
Accrued expenses	(9,225,980)	1,719,445
Other long-term liabilities	(224,165)	2,662,851
Net cash used in operating activities	(3,977,559)	(9,782,383)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(806,362)	(691,283)
Capitalized software development costs	(1,948,116)	-
Net cash used in investing activities	(2,754,478)	(691,283)
Cash flows from financing activities:		
Proceeds from long-term debt	20,000,000	9,953,244
Proceeds from revolving credit facility	18,221,360	-
Payments of deferred financing costs	(1,091,916)	-
Principal payments on revolving credit facility	(30,134,185)	(1,600,000)
Net cash provided by financing activities	6,995,259	8,353,244
Net increase (decrease) of cash and cash equivalents	263,222	(2,120,422)
Effect of exchange rate on cash	(2,703,482)	(222,562)
Cash, cash equivalents, and restricted cash, beginning of year	11,198,693	13,541,677
Cash, cash equivalents, and restricted cash, end of year	$ 8,758,433	$ 11,198,693
Supplemental disclosure of cash flow information:		
Cash payments for interest	$ 3,602,391	$ 3,063,400
Cash payments for taxes, net of refunds	$ 1,345,712	$ 169,901

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

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Note 1. Nature of Business and Summary of Significant Accounting Policies

The consolidated financial statements include the accounts of Luminator Technology Group, LLC and its subsidiaries (collectively, the "Company").

The Company is a global supplier of advanced information systems and LED displays and lighting products for a wide range of applications in metropolitan and commercial transportation systems, including systems for the rail, bus and aerospace industries. The Company serves municipal transportation systems throughout the world. The Company has operations through wholly-owned subsidiaries in the United States of America, Canada, Germany, Denmark, Switzerland, Sweden, Australia, Brazil, Singapore, and Poland.

The following summary explains the Company's significant accounting policies which have been consistently applied:

Basis of Presentation:

The Company prepares its consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("US GAAP"). Certain reclassifications have been made to the Company's prior period consolidated financial statements, including deferred revenue and income tax payable accounts on the consolidated balance sheet, and defined benefit plan, inventory provision and bad debt expense on the consolidated statement of cash flows, to conform to the current year presentation. These presentation changes did not impact the Company's consolidated net loss, consolidated cash flows, total assets, total liabilities or total member's deficit.

Fair Value of Financial Instruments:

Financial Accounting Stands Board ("FASB") Accounting Standard Codification ("ASC") 825, *Financial Instruments*, requires disclosure of fair value information about financial instruments. Management believes that financial instruments approximate their carrying values for cash, accounts receivable, accounts payable and accrued expenses due to the short-term nature and liquidity of these instruments.

The FASB provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under this framework are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Fair Value of Financial Instruments (continued):

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Accordingly, the Company believes the carrying value of cash, accounts receivable, accounts payable and accrued expenses to be representative of their fair values based on their short-term nature and are classified within Level 1 of the fair value hierarchy. Additionally, the Company believes that the carrying value of the revolving credit facility and long-term debt approximates the fair value of such debt based on quoted market prices for the same or similar issues or on the current rates offered to the Company for debt with the same remaining maturities and similar collateral requirements and are classified within Level 2 of the fair value hierarchy.

There were no transfers between Levels 1, 2 and 3 during the years ended February 28, 2025 and February 29, 2024. There were no assets or liabilities required to be recorded at fair value on a recurring or non- recurring basis at February 28, 2025, and February 29, 2024.

Principles of Consolidation:

The consolidated financial statements reflect the accounts of the Company for the fiscal years ended February 28, 2025 and February 29, 2024. All intercompany accounts and transactions have been eliminated.

Use of Estimates:

The preparation of the consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates.

Cash and Cash Equivalents:

Cash and cash equivalents include cash on hand; cash in banks and highly liquid short-term investments with original maturities of three months or less. At various times during the year, the Company maintains cash balances at financial institutions in excess of federally insured limits.

Restricted Cash:

Restricted cash collateralizes various warranty guarantees and includes additional short-term investments with original maturities of four to twelve months.

Accounts Receivable:

Accounts receivable are recognized at the original invoice amount. The Company does not normally require collateral or other security from its customers. The Company has evaluated accounts receivable for credit losses based on historical experience and management's review of the aging. Write-offs of uncollected accounts receivable are performed after the Company has exhausted normal collection avenues and has determined the balances are at risk of collection. Recoveries of accounts receivable previously written off are recorded when received. Interest is not normally charged on customer past due accounts. Additions to the allowance for credit losses are charged to selling, general and administrative expense, and deductions from the allowance are recorded when specific accounts receivable are written off as uncollectible. The allowance for credit losses is $3.3 million and $2.1 million as of February 28, 2025 and February 29, 2024, respectively.

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Inventories:

Inventories are stated at the lower of cost (which approximates first-in, first-out) or net realizable value. Provisions for excess and obsolete inventory are established to ensure that inventories are carried at amounts less than or equal to their net realizable value.

Deferred Engineering Costs:

Preproduction design and development costs related to long-term supply arrangements are expensed as incurred, and classified as research and development, unless the customer has provided a contractual guarantee for reimbursement of such costs. Contractually reimbursable costs are capitalized as incurred in the consolidated balance sheets other long-term assets. Such capitalized costs are included in other long-term assets and were approximately $3.4 million and $4.5 million as of February 28, 2025 and February 29, 2024, respectively.

Property, Plant and Equipment:

Property, plant, and equipment is stated at cost, less accumulated depreciation or amortization.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	20 years
Automobiles	3 - 8 years
Tools and dies	2 - 10 years
Furniture and fixtures	2 - 14 years
Computer equipment and software	2 - 6 years
Machinery and equipment	2 - 10 years

Leasehold improvements are amortized over the lesser of the related lease term or the economic life of the asset. Maintenance and repairs that do not improve efficiency or extend the economic life are expensed as incurred.

Software Development Costs:

After establishing technological feasibility, and until such time as the software products are available for general release to customers, the Company capitalizes costs incurred to develop the software products to be sold, leased or otherwise marketed. Costs incurred to establish technological feasibility are charged to expense as incurred. Enhancements to software products are capitalized where such enhancements extend the life or significantly expand the marketability of the products. The capitalized costs are classified as other assets in the consolidated balance sheets. The capitalized costs are amortized separately for each software product. Annual amortization expense is calculated based on the greater of the ratio of current gross revenues for each product to the total of current and anticipated future gross revenues for the product or the straight-line amortization method over the estimated useful life of the product.

Unamortized capitalized software costs are periodically evaluated for impairment on a product-by-product basis by comparing the unamortized balance to the product's net realizable value. The net realizable value is the estimated future gross revenues from that product reduced by the related estimated future costs. When the unamortized balance exceeds the net realizable value, the unamortized balance is written down to the net realizable value and an impairment charge is recorded. For the years ended February 28, 2025 and February 29, 2024, the unamortized capitalized software balance was $3.6 million and $2.2 million, respectively. No impairment was recorded for the fiscal years ended February 28, 2025 and February 29, 2024.

Intangible Assets:

The Company has determined that intangible assets include tradenames and developed technology, which are considered to have finite lives. Finite lived intangible assets, are amortized on a straight-line basis over their useful lives.

Goodwill:

The Company has elected to use the private company accounting alternative and amortizes goodwill on a straight-line basis over the estimated useful life, 10 years. The impairment test of goodwill is performed at the entity level if a triggering event occurs. The Company has elected to use the private company accounting alternative to evaluate goodwill for impairment at the entity level instead of the reporting unit level. The Company compares the fair value of the entity with its' carrying amount. If the carrying value of the entity exceeds its fair value, impairment is recorded for the difference between the carrying value and fair value. For the years ended February 28, 2025 and February 29, 2024 no impairment loss was recorded.

Long-Lived Assets:

Long-lived assets, including finite-lived intangible assets, are evaluated for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Impairment is considered to exist if the total estimated future cash flows on an undiscounted basis are less than the carrying amount of the asset group. If impairment exists, the impairment loss is measured and recorded based on discounted estimated future cash flows. In estimating future cash flows, assets are grouped at the lowest levels for which there are identifiable cash flows that are largely independent of cash flows from other asset groups. The Company's estimate of future cash flows is based upon, among other things, certain assumptions about expected future operating performance, growth rates and other factors. The actual cash flows realized from these assets may vary significantly from the Company's estimates. Assumptions underlying future cash flow estimates are therefore subject to significant risks and uncertainties. For the fiscal years ended February 28, 2025 and February 29, 2024, no impairment loss was recorded.

Debt Discount:

As part of the business combination in 2022, the Company recorded the assumed debt at fair value through a debt discount. The debt discount is classified as a reduction of long-term debt. The debt discount is amortized as interest expense over the life of the associated debt using the effective interest method. Amortization of debt discount for the years ended February 28, 2025 and February 29, 2024 was approximately $6.6 million and $6.6 million, respectively.

Leases:

The Company recognized right-of-use ("ROU") assets and lease liabilities in the consolidated balance sheets for operating leases under which the Company is the lessee. As a practical expedient, leases with a term of twelve months or less are expensed as incurred.

Operating lease assets are included in the ROU asset-operating leases in the consolidated balance sheets. Operating lease liabilities for obligations due within twelve months are included in the operating lease liability – short term in the consolidated balance sheets. Operating lease liabilities for obligations due longer than twelve months are included in the operating lease liability – long term in the consolidated balance sheets.

ROU assets and lease liabilities are recognized based on the present value of future lease payments. Lease payments primarily include base rent. The Company may have some lease payments that are based on an index and changes to the index are treated as variable lease payments and recognized in the period in which the obligation for those payments is incurred. The lease payments may also include non-lease components such as real estate taxes and common-area maintenance costs. As a practical expedient, the Company accounts for lease and non-lease components as a single component. For certain leases, the non-lease components are variable and are therefore excluded from lease payments to determine the ROU asset. The

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Company has elected the practical expedient and uses the risk-free rate over the expected lease term to calculate the lease liability. The expected lease term represents the number of years the Company expects to lease the property, including options to extend or terminate the lease when it is reasonably certain the Company intends to exercise the option.

Operating lease expense is recognized as an operating cost on a straight-line basis over the expected lease term in the consolidated statements of loss and comprehensive loss.

Warranty Costs:

The Company typically warrants its products for periods ranging from one to ten years. The Company estimates its warranty costs based on claim experience and charges warranty claims against reserves. The warranty reserve is reviewed periodically to verify that it properly reflects remaining obligations and any adjustments to the reserve are reflected in cost of sales on the consolidated statements of income and comprehensive loss.

The following summarizes the activity in the Company's warranty liability accounts included in accrued expenses in the consolidated balance sheets for the years ended February 28, 2025 and February 29, 2024:

Balance, February 28, 2023	$ 5,910,729
Settlements	(3,716,650)
Warranty expense	2,366,765
Balance, February 29, 2024	4,560,844
Settlements	(2,863,416)
Warranty expense	3,729,048
Balance, February 28, 2025	$ 5,426,476

Income Taxes:

Luminator Technology Group, LLC has elected to be taxed as a partnership for federal income tax purposes. The subsidiary owned by Luminator Technology Group, LLC in the United States is a C Corporation. The foreign subsidiaries are taxed in the same manner a C Corporation would be taxed in the United States.

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences, operating losses and tax credit carry forwards. Deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Accounting guidance for income taxes requires determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. The Company recognizes any interest accrued related to unrecognized tax benefits in income tax expense and penalties in operating expenses.

Revenue Recognition:

The Company recognizes revenue in accordance with Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers*, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

The Company is a global supplier of advanced information systems and LED displays and lighting products for a wide range of applications in metropolitan and commercial transportation systems, including systems for the rail, bus and aerospace industries.

Identify the Customer Contracts:

The Company accounts for a customer contract under ASC 606 when the contract is legally enforceable. A contract is legally enforceable when all of the following criteria are met: (1) the contract has been approved by the Company and the customer and both parties are committed to perform their respective obligations, (2) the Company can identify each party's rights regarding goods or services transferred, (3) the Company can identify payment terms for goods or services transferred, (4) the contract has commercial substance, and (5) collectability of all the consideration to which the Company is entitled in exchange for the goods or services transferred is probable.

Identify the Performance Obligations:

Performance obligations are determined to be considered distinct if they are both capable of being distinct and distinct within the context of the contract. In determining whether performance obligations meet the criteria for being distinct, the Company considers a number of factors, such as the degree of interrelation and interdependence between obligations, and whether or not the good or service significantly modifies or transforms another good or service in the contract.

The following are the primary performance obligations identified by the Company:

Equipment and Parts:

The Company principally generates revenue from the sale of equipment and parts to customers and recognizes revenue at a point in time when control transfers to the customer. Transfer of control is generally determined based on the shipping terms of the contract.

Warranty, Services, and Maintenance:

The Company provides limited assurance-type warranties for standard and customized products under its contracts. The warranty period is typically for a limited duration (3 years) following transfer of control of the equipment and parts in line with industry standard warranties. As such, the Company's standard warranties are not within the scope of ASC 606 and will continue to be accounted for under ASC 460-10, *Guarantees*. The Company accrues for expected warranty claims.

The Company may also offer extended warranty, maintenance and other services. Extended warranty and maintenance contracts are offered with terms ranging from one to several years, which provide maintenance services after expiration of the original one-year warranty term. Revenues from separately priced extended warranty and maintenance contracts are recognized based on time elapsed over the service period. Revenue from other services such as training or installation is recognized ratably over time.

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Notes to Consolidated Financial Statements

Total revenue recognized at a point in time and over time was as follows for the years ended February 28, 2025 and February 29, 2024:

	2025	2024
Revenue recognized at point in time	$ 226,788,440	$ 219,822,744
Revenue recognized over time	14,049,198	15,235,456

The Company's contracts do not typically contain substantive customer options.

Contracts with Multiple Performance Obligations:

Some of the Company's contracts with customers contain multiple promised goods or services. Such contracts include products with bundled services, and support. For these contracts, the Company accounts for the promises separately as individual performance obligations if they are distinct. In determining whether performance obligations meet the criteria for being distinct, the Company considers a number of factors, such as the degree of interrelation and interdependence between obligations, and whether or not the good or service significantly modifies or transforms another good or service in the contract. The embedded software in most of the hardware products is not considered distinct and therefore the combined hardware and incidental software are treated as one performance obligation and recognized at the point in time when control of product transfers to the customer. Services that are included with certain hardware products are considered distinct and therefore the hardware and service are treated as separate performance obligations.

Determine the Transaction Price:

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods and services to the customer. Revenue is recorded based on the transaction price, which includes fixed consideration and estimates of variable consideration, where applicable. The Company generally enters into contracts containing fixed prices. Rarely will the Company enter into a contract which contains variable consideration. The Company regularly extends pricing discounts; however, they are negotiated up front and adjust the fixed transaction price set out in the contract.

Allocate the Transaction Price to the Performance Obligations:

Revenues from customer contracts are allocated to the separate performance obligations based on their relative stand-alone selling price ("SSP") at contract inception. The SSP is the price at which the Company would sell a promised good or service separately. The best evidence of an SSP is the observable price of a good or service when the entity sells that good or service separately in similar circumstances and to similar customers. The Company notes that it establishes standalone selling prices for each of their performance obligations in its contracts/purchase orders.

Payment Terms:

Payment terms on invoiced amounts are typically 30 to 60 days. In instances where the timing of revenue recognition differs from the timing of the right to invoice, the timing difference is generally less than one year.

Costs to Obtain a Contract:

The Company pays sales commissions to its internal sales personnel for obtaining contracts, which is an incremental contract acquisition cost and meets the capitalization criteria under ASC 340-40. However, as the amortization period for these contract acquisition costs is less than one year, the Company has elected to apply the practical expedient to expense these sales commissions as incurred. As such, the Company had no capitalized contract acquisition costs as of February 28, 2025 or February 29, 2024.

Practical Expedients:

The Company applies the following practical expedients on a recurring basis:

- The Company accounts for shipping and handling costs as activities to fulfill the promise to transfer the goods, instead of a promised service to its customer.

- The Company has not elected to adjust the promised amount of consideration for the effects of a significant financing component as the Company expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will generally be one year or less.

- The Company has made a policy election under ASC 606 to exclude from revenue sales taxes and other government-assessed and imposed taxes on revenue-generating activities that are invoiced to customers.

Shipping and Handling Fees:

Freight billed to customers is considered sales revenue with related expenses recorded as cost of sales.

Advertising Costs:

The Company expenses all advertising costs as incurred. Advertising costs for the years ended February 28, 2025 and February 29, 2024 were approximately $194 thousand and $137 thousand, respectively.

Foreign Currency Translation:

Certain operations outside the United States maintain their financial statements in functional currencies other than the U.S. Dollar. The Company translates these foreign operation financial statements into the reporting currency of the U.S. Dollar for presentation purposes. The assets and liabilities of the Company's foreign subsidiaries have been translated into U.S. Dollars using the exchange rates in effect at the balance sheet date. Results of operations are translated using the average exchange rate for the period. The resulting currency translation adjustment is recorded as other comprehensive income.

Transaction gains (losses) for the years ended February 28, 2025 and February 29, 2024 were approximately ($129) thousand and $1.3 million, respectively. Transaction gains (losses) are recorded within selling, general and administrative expenses in the consolidated statements of loss and comprehensive loss.

Comprehensive Loss:

Comprehensive loss includes the net loss as well as the change in the cumulative foreign currency translation adjustment and the change in the defined benefit pension plan.

Recent Accounting Pronouncements:

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which provides qualitative and quantitative updates to the rate reconciliation and income taxes paid disclosures, among others, to enhance the transparency of income tax disclosures, including consistent categories and greater disaggregation of information in the rate reconciliation and disaggregation by jurisdiction of income taxes paid. For entities other than public business entities, the amendments in ASU 2023-09 are effective for years beginning after December 15, 2025, with early adoption permitted. The amendments should be applied prospectively; however, retrospective application is also permitted. The Company has not early adopted this ASU, and is still evaluating its impact.

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Note 2. Inventories

Inventories at February 28, 2025 and February 29, 2024 consist of the following:

	2025	2024
Raw materials	$ 71,551,407	$ 81,724,164
Work in process	4,856,431	5,623,262
Finished goods	8,482,932	9,136,982
Reserve for excess and obsolete	(14,259,365)	(17,641,626)
	$ 70,631,405	$ 78,842,782

Note 3. Property, Plant, and Equipment

Major classes of property, plant, and equipment at February 28, 2025 and February 29, 2024 consist of the following:

	2025	2024
Automobiles	$ 524,711	$ 546,379
Tool and dies	1,725,213	1,736,984
Furniture and fixtures	1,310,366	1,398,633
Computer equipment and software	6,610,349	6,636,299
Leasehold improvements	3,416,232	3,461,101
Machinery and equipment	8,431,449	8,644,070
	22,018,320	22,423,466
Less: accumulated depreciation	(14,087,398)	(11,577,617)
	7,930,922	10,845,849
Construction in process	612,921	416,915
	$ 8,543,843	$ 11,262,764

For the years ended February 28, 2025 and February 29, 2024, the Company recorded depreciation expense of approximately $3.2 million and $5.0 million, respectively.

Note 4. Intangible Assets and Goodwill

Intangible assets at February 28, 2025 and February 29, 2024 consist of the following:

		2025		
	Weighted Average Life (in Years)	Gross Carrying Amount	Accumulated Amortization	Net Amount
Tradenames	20	$ 23,933,223	$ 3,446,272	$ 20,486,951
Developed Technology	7	24,836,987	9,613,360	15,223,627
		$ 48,770,210	$ 13,059,632	$ 35,710,578

		2024		
	Weighted Average Life (in Years)	Gross Carrying Amount	Accumulated Amortization	Net Amount
Tradenames	20	$ 23,933,223	$ 1,971,009	$ 21,962,214
Developed Technology	7	24,836,987	5,960,206	18,876,781
		$ 48,770,210	$ 7,931,215	$ 40,838,995

For the years ended February 28, 2025 and February 29, 2024, the Company recorded amortization expense of approximately $5.3 million and $4.7 million, respectively. Estimated annual amortization expense of intangible assets for each of the next five years is as follows:

FY 2026	$ 4,833,522
FY 2027	4,728,366
FY 2028	4,780,944
FY 2029	4,780,944
FY 2030	2,386,546
Thereafter	14,200,256
	$ 35,710,578

Goodwill at February 28, 2025 and February 29, 2024 consists of the following:

2025			
Weighted Average Life (in Years)	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Amount**
10	$ 249,551,584	$ 67,107,373	$ 182,444,211

2024			
Weighted Average Life (in Years)	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Amount**
10	$ 249,551,584	$ 39,527,384	$ 210,024,200

The amount of amortization expense recorded for the amortization of goodwill was $25.6 million and $25.2 million for the years ended February 28, 2025 and February 29, 2024, respectively.

Note 5. Long-term Debt

The Company's long-term debt is held by Wingspire Capital LLC, a third party, and Blackstone, the Company's parent company. Long-term debt consists of the following at February 28, 2025 and February 29, 2024:

	2025	2024
Senior secured notes	$ 121,526,557	$ 103,657,188
Senior subordinated notes	269,321,444	242,321,470
Subordinated perpetual notes	45,461,257	45,461,257
Total long-term debt	436,309,258	391,439,915
Less: current portion of long-term debt	(833,333)	-
Less: deferred financing costs	(1,091,915)	-
Less: debt discount	(3,285,580)	(9,696,611)
Long-term debt, net	$ 431,098,430	$ 381,743,304

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Senior secured notes

On August 6, 2024, the Company established a $20,000,000 term facility with Wingspire Capital LLC ("Wingspire Term Facility"), which matures on August 6, 2027, therefore, this debt facility has been classified as a long-term debt in the Company's consolidated balance sheets for the year ended February 28, 2025. This debt facility bears interest at rate of SOFR plus 6%. The Company used the proceeds of the Wingspire Term Facility to fully repay the revolving credit loan obligation with Sumitomo Mitsui Banking Corporation. As of February 28, 2025 there is no available capacity on the Wingspire Term Facility.

The Company has term loans separated into two loan components, a U.S. Term Loan and a European Term Loan (collectively "Term Loans"). On June 30, 2022, the Company entered into a comprehensive debt restructuring, and have subsequently amended its Term Loans, which were deemed a troubled debt restructuring based on the concessions the lenders provided to the Company. As part of the troubled debt restructuring, interest payments due have been delayed until a future date. The Term Loans do not require periodic principal payments but become due in full on the Term Loans maturity date. Voluntary payments may be made at anytime without penalty. The Term Loans bear interest at a rate per annum equal to Adjusted Term SOFR or the Base Rate, plus the Applicable Margin, as defined. The effective interest rate at February 28, 2025 and February 29, 2024 was 6.5%. The Term Loans require an excess cash flow payment based on requirements of the agreement. No excess cash flow was due at February 28, 2025 or February 29, 2024. The Company's Term Loans were amended on August 6, 2024 to extend the maturity date to November 4, 2027. Therefore, the Term Loans have been classified as long-term debts in the Company's consolidated balance sheets for the year ended February 28, 2025.

Senior subordinated notes:

On June 30, 2022, the Company exchanged its senior subordinated notes and cash for a new senior subordinated notes ("Senior Subordinated Notes") with an initial principal amount of approximately $202.7 million. The Senior Subordinated Notes bear interest at a rate per annum of 11%. On each anniversary date the interest due will be paid in kind and added to the outstanding principal amount of the note. The Company's Senior Subordinated Notes were amended on August 6, 2024 to extend the maturity date to November 4, 2027. Therefore, the Senior Subordinated Notes have been classified as long-term debts in the Company's consolidated balance sheets for the year ended February 28, 2025.

Subordinated perpetual notes:

On June 30, 2022, the Company converted a portion of its senior secured notes through the issuance of perpetual notes ("Subordinated Perpetual Notes") in the amount of approximately $45.5 million. The Subordinated Perpetual Notes are subordinated to the Term Loans and do not bear any interest unless an event of default, as defined, occurs and is continuing or upon consummation of a sale of the Company, then the notes shall bear interest at a rate of 10% per annum and shall be paid in kind from that date until paid in full. There is no stated maturity date on the Subordinated Perpetual Notes, with all accrued but unpaid interest due on the consummation of a sale of the Company.

Interest expense recorded on long-term debt was $39.0 million and $37.7 million for the years ended February 28, 2025 and February 29, 2024, respectively.

Substantially all of the Company's assets are pledged as collateral under the Company's debt agreements, and the Company is subject to certain financial covenants.

As of February 28, 2025 and February 29, 2024 the Company's majority shareholder and debt holder is a private equity company who has significant influence over the Company's operating and financial policies.

Of the total long-term debt noted in the table above, $416 million and $391 million are due to a related party as of February 28, 2025 and February 29, 2024, respectively. Of the interest expense recorded on long-term debt noted above, $37.2 million and $ 34.7 million was due to a related party for the years ended February 28, 2025 and February 29, 2024, respectively. Accrued interest on the Company's long-term debt due to a related party is $28.8 million and $17.0 million for the years ended February 28, 2025 and February 29, 2024, respectively.

Aggregate maturities of long-term debt, based on amounts currently outstanding at February 28, 2025 are as follows:

FY 2026	$ 833,333
FY 2027	1,000,000
FY 2028	389,014,668
FY 2029	-
FY 2030	-
Thereafter	45,461,257
	$ 436,309,258

Note 6. Revolving Credit Facility

	2025	2024
Revolving credit loan	$ 17,120,000	$ 29,033,516

On August 6, 2024, the Company established a $20,000,000 revolving, asset based facility ("Revolving Credit Loan") with Wingspire Capital LLC, which matures on August 6, 2027, therefore, this debt facility has been classified as a long-term liability in the Company's consolidated balance sheets for the year ended February 28, 2025. This debt facility bears interest at a rate of SOFR plus 4.75% and has an available capacity of $2.9 million at February 28, 2025. The Company used the proceeds of the Revolving Credit Loan along with proceeds from the Wingspire Term Facility (Wingspire Agreement) to fully repay the revolving credit loan obligation with Sumitomo Mitsui Banking Corporation in the amount of $28.7 million which had an effective interest rate ranging from 10.05% to 10.52%. The remaining proceeds from the Wingspire Agreement were used to provide additional liquidity and working capital to the Company.

Substantially all of the Company's assets are pledged as collateral under the Company's Revolving Credit Loan, and the Company is subject to certain financial covenants.

Note 7. Members' Deficit

In accordance with the Second Amended and Restated Limited Liability Company Agreement, the Company authorized the issuance of an unlimited number of Class A Units, Class D1 Units, Class D2 Units, and Class E Units. Class D1 Units represent 99.99% of the equity voting rights of all equity outstanding. Class E Units are also authorized for issuance as incentive units.

At February 28, 2025, the following units were issued and outstanding:

- Class A Units - 789,070
- Class D1 Units - 1,000,000
- Class D2 Units - 1,000,000
- Class E Units - zero

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Upon an event of distribution, the following order of priority would be followed:

- First, to the Class D1 Members and Class E Members, pro rata, as defined in the Second Amended and Restated Limited Liability Company Agreement
- Second, to the Class D2 Members and Class E Members, pro rata, as defined in the Second Amended and Restated Limited Liability Company Agreement
- Third, to the Class A Members and Class E Members, pro rata, as defined in the Second Amended and Restated Limited Liability Company

Note 8. Income Taxes

Income taxes for the years ended February 28, 2025 and February 29, 2024 consist of the following:

	2025	2024
Federal	$ 1,033,961	$ -
State	9,801	47,102
Foreign	1,767,674	655,629
Deferred:		
Domestic	(67,045)	(804,171)
Foreign	1,391,582	(1,732,058)
Income tax expense (benefit)	$ 4,135,973	$ (1,833,498)

A comparison of the income tax expense (benefit) at the federal statutory rate to the Company's effective tax rate is as follows for the years ended February 28, 2025 and February 29, 2024:

	2025	2024
Computed "expected" tax benefit	$ (14,866,435)	$ (20,273,754)
Permanent differences	4,691,195	2,555,495
State tax (net of federal tax benefit)	(1,047,666)	(1,965,154)
Change in valuation allowance	52,903,993	2,424,869
Effect of foreign rates	(406,050)	185,579
Uncertain tax position	(1,153,343)	(18,900)
Deferred movement	(35,990,561)	-
Deferred movement related to IRC Section 382	-	15,692,523
Other	4,838	(434,156)
	$ 4,135,971	$ (1,833,498)

Deferred income taxes result from temporary differences in the recognition of income and expenses for financial reporting and for tax purposes. Net deferred income tax assets and liabilities consist of the following components as of February 28, 2025 and February 29, 2024:

	2025	2024
Deferred income tax assets:		
Allowance for credit losses	$ 310,064	$ 476,797
Inventories	2,261,162	2,416,091
Warranty reserve	335,323	363,078
Accrued other liabilities	1,432,457	1,830,010
Interest expense disallowance	29,643,086	22,429,356
Net operating loss	66,036,164	25,880,456
Lease liabilities	3,357,092	2,114,760
R&E	3,463,696	1,588,792
Other	1,123,510	6,358,784
Total deferred tax assets	107,962,554	63,458,124
Valuation allowance	(94,004,597)	(43,179,302)
Total deferred tax assets, net of valuation allowance	13,957,957	20,278,822
Deferred income tax liabilities:		
Deferred engineering costs	(1,166,956)	(988,776)
Intangible assets	(8,288,090)	(8,590,064)
Property, plant and equipment	(1,268,080)	(1,907,803)
Right-of-use assets (ASC842)	(3,332,030)	(2,037,091)
Other	(705,781)	(6,233,531)
Total deferred tax liabilities	(14,760,937)	(19,757,265)
Net deferred tax asset (liabilities)	$ (802,980)	$ 521,557

The accounting standards require a valuation allowance to be recorded on either all or a portion of the deferred tax assets in the United States, Canada, Germany, Luxembourg, Sweden, and Switzerland, if the deferred tax assets are more likely than not to not be utilized in a future period. The deferred tax movement primarily relates to $39.7M of prior period net operating losses incurred in Luxembourg, which are fully offset by a corresponding valuation allowance.

As of the years ended February 28, 2025 and February 29, 2024, the Company has foreign net operating loss carryforwards of approximately $271.3 million and $93.7 million, respectively, for tax purposes, which will be available to offset future taxable income. A portion of these carryforwards will begin to expire in 2026.

As of the years ended February 28, 2025 and February 29, 2024, the Company has U.S. federal tax net operating loss carryforwards of approximately $30.7 million and $25.3 million, respectively, and state pre-tax net operating loss carryforwards in various jurisdictions of approximately $46.8 million and $39.0 million, respectively. Once tax effected, the Company has state net operating loss carry forwards of $2.9 million and $2.1 million for the years ended February 28, 2025 and February 29, 2024, respectively.

The Company has recorded an uncertain tax position for years ended February 28, 2025 and February 29, 2024 in the amount of $0.0 million and $1.5 million, respectively, relating to the taxability of the debt restructuring. Additionally, the Company also has uncertain tax position in Canada related mainly to withholding taxes and has recorded penalties and interest of approximately $1.5 million and $1.2 million as of February 28, 2025 and February 29, 2024, respectively.

Note 9. Commitments and Contingencies

Legal:

The Company is a party to certain legal proceedings and other matters arising from time to time in the normal course of business. Management believes that such legal proceedings will not have a material adverse effect on the Company's financial position or results of operations.

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Concentration of Credit Risk:

The Company engages in project related sales and at any given period of time, a concentration of one customer may occur due to the timing of the shipments related to a large contract(s). For the years ended February 28, 2025 and February 29, 2024, the Company had no customers that represented any significant concentration of sales or receivables.

Note 10. Defined Contribution Plans

The Company has a defined contribution plan in the United States that complies with Section 401(k) of the U.S. Internal Revenue Code. Substantially all employees working in the United States are eligible to participate in the plan. Under the plan, the Company makes discretionary matching contributions to employees and to officers in amounts ranging from 0% to 4.0% of their annual salary. The Company made contributions of approximately $1.3 million and $843 thousand for the years ended February 28, 2025 and February 29, 2024, respectively.

The Company has a defined contribution plan in Canada. Substantially all employees working in Canada participate in the plan. The Company makes contributions in an amount equivalent to 1% of the participating employee's annual salary plus $250. The Company made contributions of $65 thousand and $73 thousand for the years ended February 28, 2025 and February 29, 2024, respectively.

The Company has a defined contribution plan in Denmark. Substantially all employees working in Denmark participate in the plan. The Company makes contributions in an amount equivalent to 6% to 8% of their annual salary. The Company made immaterial contributions for the years ended February 28, 2025 and February 29, 2024.

The Company has a deferred compensation plan in Germany that is closed to new participants. The Company makes distributions to the remaining four retirees based on a defined schedule. A reserve of approximately $204 thousand and $251 thousand is recorded in accrued expenses on the consolidated balance sheets as of February 28, 2025 and February 29, 2024, respectively. The adequacy of the liability is reviewed annually by an outside party. Distributions to participants for the years ended February 28, 2025 and February 29, 2024 were approximately $143 thousand and $23 thousand, respectively.

The Company has a defined contribution plan in Sweden. The amount of contributions made by the Company is segregated between hourly employees and salaried employees. For hourly employees, the Company makes contributions equivalent to 4.5% of their annual salary. For salaried employees, the Company makes contributions ranging from 3% to 30% dependent on age and earnings level; the average payment to salaried employees was 16.5% for the years ended February 28, 2025 and February 29, 2024. The Company made total contributions of approximately $270 thousand for the years ended February 28, 2025 and February 29, 2024.

The Company has a defined contribution plan in Poland. Substantially all employees working in Poland participate in the plan. The Company makes contributions in the amount equivalent to 1.5% to 4.05% of their annual salary. The Company made contributions of approximately $388 thousand and $690 thousand for the years ended February 28, 2025 and February 29, 2024, respectively.

Note 11. Defined Benefit Plan

The Company contributes to a defined benefit plan (the "Plan") in Switzerland. Swiss pension plans are governed by the Swiss Federal Law on Occupational Retirement, Survivor's and Disability Pension Plans (BVG), which requires that pension plans be managed by a legally independent party, contributions earn a minimum interest rate currently set at 1.00%, and a minimum conversion rate, currently set at 6.8%. The Company and its employees make contributions ranging from 7% to 18%, dependent on age and pensionable salary. The defined benefit obligations and related assets are reappraised annually by independent actuaries.

	2025	2024
Projected benefit obligation	$ 9,034,032	$ 9,469,528
Fair value of plan assets	9,204,503	9,399,226
Funded status	$ 170,471	$ (70,302)

Amounts recognized in the consolidated balance sheets at February 28, 2025 and February 29, 2024 consist of:

	2025	2024
Other long-term liabilities	$ 98,780	$ (70,302)

Amounts recognized in members' deficit at February 28, 2025 and February 29, 2024 consist of the following:

	2025	2024
Net loss, net of tax	$ 246,934	$ 107,659
Amortization of prior service credit	75,591	75,421
Net loss, net of tax	$ 322,525	$ 183,080

	2025	2024
Benefit cost	$ (160,532)	$ (102,292)
Employer contributions	134,546	134,546
Benefits income	(1,279,991)	(470,109)

Assumptions:

The following are the assumptions used to determine projected benefit obligations at February 28, 2025 and February 29, 2024:

	2025	2024
Discount rate	1.10%	1.60%
Rate of compensation increase	1.0%	1.0%

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The following are the assumptions used to determine net periodic benefit costs for the years ended February 28, 2025 and February 29, 2024:

	2025	2024
Discount rate	1.10%	2.20%
Expected long-term return on plan assets	2.80%	3.50%
Rate of compensation increase	-	1.00%

The Company expects to contribute approximately $127,945 to the Plan in 2025.

The following pension benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

FY 2026	$ 45,091
FY 2027	1,234,359
FY 2028	24,800
FY 2029	25,927
FY 2030	27,054
Thereafter	1,578,177
	$ 2,935,408

Note 12. Leases

The Company has operating leases of real estate for office space, warehouses and manufacturing facilities as well as operating leases of vehicles. Our leases have lease terms of 1 year to 15 years, some of which include options to extend the leases for up to 5 years, and some of which include options to terminate the leases within 1 year.

Operating leases as of February 28, 2025 and February 29, 2024 primarily consisted of real estate leases for office space, warehouses, and manufacturing facilities.

Operating Leases

	2025	2024
Operating lease right-of-use-assets	$ 3,585,354	$ 3,891,578
Variable and short term lease cost	5,744,586	1,395,956
Total lease expense	$ 9,329,940	$ 5,287,534
Other current liabilities	$ 3,112,535	$ 2,843,459
Operating lease liabilities	11,082,236	3,614,190
Total operating lease liabilities	$ 14,194,771	$ 6,457,649

The following summarizes the weighted average remaining lease term and discount rate as of February 28, 2025 and February 29, 2024:

	2025	2024
Weighted Average Remaining Lease Term		
Operating leases	5.7 years	3.4 years
Weighted Average Discount Rate		
Operating leases	3.83%	3.70%

The maturities of lease liabilities as of February 28,2025 were as follows:

Year Ending February 28:		Operating
2026	$	3,365,883
2027		2,929,487
2028		2,342,090
2029		2,092,618
2030		1,622,014
Thereafter		3,498,862
Total lease payments		15,850,954
Less: imputed interest		(1,708,785)
Present value of lease liabilities	$	14,142,169

The following summarizes the line items in the income statements which include the components of lease expense for the years ended February 28, 2025 and February 29, 2024:

		2025		2024
Operating lease expense included in SG&A	$	3,980,310	$	2,799,116
Operating lease expense included in COGS		5,349,630		2,488,419

The following summarizes cash flow information related to leases for the years ended February 28, 2025 and February 29, 2024:

		2025		2024
Lease assets obtained in exchange for lease obligations:				
Operating leases	$	14,110,338	$	6,354,549

Note 13. Subsequent Events

Management evaluates events or transactions occurring after the balance sheet date for potential recognition or disclosure in the accompanying consolidated financial statements. Management has evaluated subsequent events through July 28, 2025, the date the consolidated financial statements were available to be issued, and noted no additional material subsequent events that are required to be accounted for or disclosed in the consolidated financial statements as of that date.

On July 4, 2025, the President signed into law the One Big Beautiful Bill Act ("OBBBA"), which includes significant changes to U.S. federal income tax law. The legislation was enacted after the balance sheet date of February 28, 2025, but prior to the issuance of these consolidated financial statements. The legislation includes provisions including 100% bonus depreciation, domestic research cost expensing, and favorable changes to the business interest expense limitation. However, because the law was enacted after the reporting period, no adjustments have been made to the consolidated financial statements as of February 28, 2025. The Company believes there will be minimal impact from the OBBBA. The effects of the legislation will be reflected in the Company's consolidated financial statements in the period of enactment, in accordance with ASC 740, *Income Taxes*.