ank=20250703-20250707706046

Bolagsverket
2025 -07- 03

Årsredovisning

för

Shiloh Industries China Holdings AB

556838-9950

Räkenskapsåret

2024

Fastställelseintyg

Undertecknad styrelseledamot i Shiloh Industries China Holdings AB intygar, dels att denna kopia av årsredovisningen stämmer överens med originalet, dels att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2025-06-30. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Göteborg 2025-06-30

Joakim Lennartsson

ank=20250702403

Bolagsverket
2025 -07- 01

Styrelsen för Shiloh Industries China Holdings AB avger följande årsredovisning för räkenskapsåret 2024.

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

Förvaltningsberättelse

Verksamheten

Shiloh Industries China Holdings AB bildades 2011-01-19. Verksamheten bedrivs i ett helägt dotterbolag i Kina, Shiloh Automotive Components (Shanghai), Ltd Co.
Koncernredovisning upprättas av moderbolaget Shiloh Holdings Sweden AB, 556971-9510.

Bolaget är ett helägt dotterbolag till Shiloh Industries AB 556502-8338, med säte i Göteborg.
Bolaget är moderbolag, men koncernredovisning upprättas av Shiloh Holdings Sweden AB, i enlighet med ÅRL 7 kap 2. Koncernmoder i Europa är Shiloh Holdings Netherlands B.V. Denna underkoncern ägs i sin tur av det amerikanska bolaget Middleground Capital.

Företaget har sitt säte i Göteborg.
Företaget är vilande.

Flerårsöversikt (Tkr)	**2024**	**2023**	**2022**	**2020/21** (14 mån)
Nettoomsättning	0	0	0	0
Resultat efter finansiella poster	0	0	0	314
Soliditet (%)	100,0	41,8	41,8	41,8

Förändringar i eget kapital

	Aktie-kapital	**Balanserat resultat**	**Årets resultat**	**Totalt**
Belopp vid årets ingång	50 000	1 061	0	**51 061**
Belopp vid årets utgång	**50 000**	**1 061**	**0**	**51 061**

Resultatdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	61 150
disponeras så att	
i ny räkning överföres	61 150
	61 150

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

Document Ref: 6HIJV-P43TX-VXQEG-M6PZX

Resultaträkning

	Not	2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
Summa rörelseintäkter		**0**	**0**
Rörelseresultat		**0**	**0**
Resultat efter finansiella poster		**0**	**0**
Resultat före skatt		**0**	**0**

ank=20250702404

Document Ref: 6HIJV-P43TX-VXQEG-M6PZX

Balansräkning

	Not	2024-12-31	2023-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	2	0	0
Summa finansiella anläggningstillgångar		**0**	**0**
Summa anläggningstillgångar		**0**	**0**
Omsättningstillgångar			
Kortfristiga fordringar			
Övriga fordringar		100 000	106 250
Summa kortfristiga fordringar		**100 000**	**106 250**
Kassa och bank			
Kassa och bank		11 150	15 811
Summa kassa och bank		**11 150**	**15 811**
Summa omsättningstillgångar		**111 150**	**122 061**
SUMMA TILLGÅNGAR		**111 150**	**122 061**

ank=20250701-20250701;2405070222405

Document Ref: 6HIJV-P43TX-VXQEG-M6PZX

Balansräkning

	Not	2024-12-31	2023-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		50 000	50 000
Summa bundet eget kapital		**50 000**	**50 000**
Fritt eget kapital			
Balanserat resultat		61 150	1 061
Summa fritt eget kapital		**61 150**	**1 061**
Summa eget kapital		**111 150**	**51 061**
Kortfristiga skulder			
Skulder till koncernföretag		0	31 250
Upplupna kostnader och förutbetalda intäkter		0	39 750
Summa kortfristiga skulder		**0**	**71 000**
SUMMA EGET KAPITAL OCH SKULDER		**111 150**	**122 061**

ank=20250701-20250702224406

Document Ref: 6HIJV-P43TX-VXQEG-M6PZX

ank=20250702407

Noter

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar
Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2016:10 Årsredovisning i mindre företag.

Årsredovisningen upprättas för första gången i enlighet med Bokföringsnämndens allmänna råd (BFNAR 2016:10) om årsredovisning i mindre företag, vilket kan innebära en bristande jämförbarhet mellan räkenskapsåret och det närmast föregående räkenskapsåret.

Not 2 Andelar i koncernföretag

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	2 065 000	2 065 000
Utgående ackumulerade anskaffningsvärden	**2 065 000**	**2 065 000**
Ingående nedskrivningar	-2 065 000	-2 065 000
Utgående ackumulerade nedskrivningar	**-2 065 000**	**-2 065 000**
Utgående redovisat värde	**0**	**0**

Göteborg 2025-06-30

Joakim Lennartsson

Joakim Lennartsson
Styrelseordförande

Kopian bestyrkes
Viktor Bergman Gullmark

Document Ref: 6HIJV-P43TX-VXQEG-M6PZX

ank=20250701-20250702224408

CERTIFICATE *of* SIGNATURE

REF. NUMBER
6HIJV-P43TX-VXQEG-M6PZX

DOCUMENT COMPLETED BY ALL PARTIES ON
30 JUN 2025 14:05:04 UTC

SIGNER	TIMESTAMP	SIGNATURE
JOAKIM LENNARTSSON EMAIL JOAKIM.LENNARTSSON@SHILOH.COM	SENT 23 JUN 2025 15:22:59 UTC VIEWED 30 JUN 2025 14:04:42 UTC SIGNED 30 JUN 2025 14:05:04 UTC	Joakim Lennartsson IP ADDRESS 94.234.69.27 LOCATION GOTHENBURG, SWEDEN

RECIPIENT VERIFICATION

EMAIL VERIFIED
30 JUN 2025 14:04:42 UTC

ank=20250702224091

Megalodon TopCo, LLC & Subsidiaries
Consolidated Financial Statements
As of and for the Years Ended
December 31, 2024 and 2023

ank=20250701-20250702224 10

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Page
Independent Auditors' Report	1
Consolidated Balance Sheets as of December 31, 2024 and 2023	3
Consolidated Statements of Operations for the years ended December 31, 2024 and 2023	4
Consolidated Statements of Comprehensive Loss for the years ended December 31, 2024 and 2023	5
Consolidated Statements of Changes In Members' Equity for the years ended December 31, 2024 and 2023	6
Consolidated Statements of Cash Flows for the years ended December 31, 2024 and 2023	7
Notes to Consolidated Financial Statements	9

CBIZ CPAs P.C.

CityPlace I, 185 Asylum Street
25th Floor
Hartford, CT 06103

P: 860.760.0600

ank=20250701-20250702224111

Independent Auditors' Report

To the Board of Directors and Shareholders of
Megalodon TopCo, LLC & Subsidiaries

Opinion

We have audited the consolidated financial statements of Megalodon Topco LLC (the "Company"), which comprise the consolidated balance sheet as of December 31, 2024 and the related consolidated statements of operations, comprehensive loss, changes in members' equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of the Company as of and for the year ended December 31, 2023, were audited by Marcum LLP, whose report dated April 29, 2024, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

ank=20250701-20250722412

In preparing the 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 that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 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.

CBIZ CPAs P.C.

Hartford, CT
April 22, 2025

0701-20250702224l3
ank=2025

MEGALODON TOPCO, LLC & SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands)

	December 31, 2024	December 31, 2023
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 33,290	$ 30,165
Accounts receivable, net of allowance	106,531	120,821
Inventories	77,298	85,271
Prepaids and other current assets	51,730	54,850
Total Current Assets	268,849	291,107
Long-term Assets:		
Restricted cash	1,710	2,056
Property, plant and equipment, net	86,384	101,917
Right of use assets	91,067	107,289
Deferred income tax asset	20,444	27,131
Other noncurrent assets	28,496	39,719
Total Long-Term Assets	228,101	278,112
Total Assets	$ 496,950	$ 569,219
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt	$ 13,486	$ 30,824
Current operating lease liability	8,119	8,460
Accounts payable	110,620	104,792
Accrued liabilities	90,241	94,843
Total Current Liabilities	222,466	238,919
Long-term Liabilities:		
Long-term debt, net of current maturities	211,591	162,755
Noncurrent operating lease liability	88,512	102,290
Other noncurrent liabilities	21,154	23,986
Deferred income tax liability	292	-
Total Long-Term Liabilities	321,549	289,031
Total Liabilities	544,015	527,950
Members' Equity	(57,741)	18,839
Accumulated other comprehensive income	10,676	22,430
Total Members' Equity	(47,065)	41,269
Total Liabilities and Members' Equity	$ 496,950	$ 569,219

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

ank=20250702224141

MEGALODON TOPCO, LLC & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands)

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
Revenues	$ 854,062	$ 949,238
Cost of sales	(771,659)	(869,068)
Gross profit	82,403	80,170
Selling, general, and administrative expenses	(58,823)	(74,317)
Facility consolidation, asset impairment, and other charges	(3,581)	(1,454)
Interest expense, net	(22,669)	(45,405)
Restructuring costs	(22,104)	(23,964)
Foreign currency transaction (losses) gains	(6,509)	10,025
Other expense	(15,430)	(23,777)
Loss from operations before discontinued operations and income taxes	(46,713)	(78,722)
Income (expense) tax recovery	(12,185)	1,143
Net loss before discontinued operations	(58,898)	(77,579)
Net loss from discontinued operations	-	(20,723)
(Loss) Gain on sale of discontinued operations	(18,000)	104,077
Income tax expense on discontinued operations	-	(23,103)
Net loss	$ (76,898)	$ (17,328)

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

ank=20250702241 5

MEGALODON TOPCO, LLC & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Amounts in thousands)

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
Net loss	$ (76,898)	$ (17,328)
Other comprehensive income, net of tax		
Defined benefit pension plans:		
Net actuarial gain during period	(83)	782
Foreign currency translation adjustment	(11,671)	2,564
Other comprehensive (loss) income, net of tax	(11,754)	3,346
Comprehensive loss	$ (88,652)	$ (13,982)

The accompanying notes are an integral part of the consolidated financial statemen

ank=20250701-20250702224416

MEGALODON TOPCO, LLC & SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

(Amounts in thousands)

	Common Units		Members' Equity	Accumulated Other Comprehensive Income	Total Equity
	TopCo A Units	TopCo B Units			
Beginning Balance, December 31, 2022	124,400,000	151,381,101	$ (26,967)	$ 19,084	$ (7,883)
Prior period adjustment for statutory audits	—	—	64,777	—	64,777
Net loss	—	—	(17,328)	—	(17,328)
Foreign exchange translation changes in equity	—	—	(1,643)	—	(1,643)
Other comprehensive income	—	—	—	3,346	3,346
Balance, December 31, 2023	124,400,000	151,381,101	18,839	22,430	41,269
Net loss	—	—	(76,898)	—	(76,898)
Foreign exchange translation changes in equity	—	—	318	—	318
Other comprehensive loss	—	—	—	(11,754)	(11,754)
Balance, December 31, 2024	124,400,000	151,381,101	$ (57,741)	$ 10,676	$ (47,065)

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

ak=20250701-20250702224417

MEGALODON TOPCO, LLC & SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (76,898)	$ (17,328)
Net loss from discontinued operations	-	(20,723)
Net income (loss) from continuing operations	(76,898)	3,395
Adjustments required to reconcile net loss to net cash provided by (used by) operating activities:		
Depreciation and amortization	16,545	19,687
Non-cash restructuring	22,094	36,120
Non-cash interest expense	15,375	6,227
Gain on divestiture of Battery Tray component, net of tax	-	(88,903)
Loss on release of escrow from divestiture of Battery Tray component	18,000	-
Gain on disposal of fixed assets	(1,502)	(4,668)
Operating cash flow from financing leases	(4)	(8,073)
Operating cash flow from operating leases	(16,301)	(21,437)
Amortization of right of use assets	18,404	15,889
Deferred income tax benefit	6,979	11,522
Change in other operating items:		
Accounts receivable	13,709	651
Inventories	7,973	9,409
Other current assets	3,120	2,773
Accounts payable and accrued liabilities	(29,812)	(14,501)
Return of customer overpayment	-	(33,484)
Other assets and liabilities, net	(1,931)	(2,866)
Net cash used in operating activities from continuing operations	(4,249)	(68,259)
Net cash provided by operating activities from discontinued operations	-	5,751
Net cash used in operating activities	(4,249)	(62,508)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(2,305)	(12,201)
Proceeds from divestiture of Battery Tray component	-	245,592
Escrow cash on sale	-	(18,000)
Proceeds from the sale of assets and other	2,795	18,552
Net cash provided by investing activities from continuing operations	490	233,943
Net cash used in investing activities from discontinued operations	-	(10,244)
Net cash provided by investing activities	490	223,699

ank=20250701-20250702224418

MEGALODON TOPCO, LLC & SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
CASH FLOWS FROM FINANCING ACTIVITIES:		
Factoring agreements borrowings (payments), net	(5,053)	(4,632)
Payments on finance leases	(118)	(6,744)
Long-term borrowings	26,200	60,619
Repayments of long-term borrowings	(8,024)	(217,156)
Revolver borrowings	43,873	4,545
Revolver payments	(43,603)	(22,719)
Debt issuance costs paid in cash	(5,502)	-
Debt prepayment penalties paid in cash	-	(10,330)
Net cash provided by (used in) financing activities from continuing operations	7,773	(196,417)
Net cash provided by financing activities from discontinued operations	-	-
Net cash provided by (used in) financing activities	7,773	(196,417)
EFFECT OF EXCHANGE RATE CHANGES ON CASH, CASH EQUIVALENTS, AND RESTRICTED CASH:	(1,235)	386
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH:	2,779	(34,840)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH:		
Beginning	32,221	67,061
Ending cash and cash equivalents	33,290	30,165
Ending restricted cash	1,710	2,056
Ending	$ 35,000	$ 32,221
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	$ 8,719	$ 14,092
Cash paid for income taxes	7,250	5,889
Issuance of MGC Omnibus Note to repay MGC Loans	99,625	-

ank=20250701-20250702224 19

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

1. Organization and Description of Business

Megalodon TopCo, LLC, a Delaware limited liability company ("Megalodon" or "the Company"), and its subsidiaries are a global mobility systems supplier specializing in the design, engineering, and manufacturing of solutions that drive the evolution of mobility. The Company was formed on December 17, 2021, when Grouper Holdings, LLC ("Shiloh") and Firefish TopCo, LLC ("Dura"), entities related through common ownership, entered into an agreement to contribute their member units and become consolidated under a single new entity, Megalodon TopCo LLC ("Megalodon"). The Company's products comprise electrification solutions, including park-lock actuators; lightweight structural systems, including multi-material architectures; specialty metal systems, including hot-stamped structures and laminated acoustic panels; and driver control systems. The Company sells products to most major North American, European and Asian automotive original equipment manufacturers ("OEMs"). Manufacturing and product development facilities are located in the United States ("U.S."), Brazil, China, Czechia, France, Germany, India, North Macedonia, Mexico, Poland, Portugal, Romania, Sweden and the United Kingdom.

During August 2023, the Company entered into an agreement to sell its Battery Tray business, which included plants in North America and Europe to Linamar Corporation. Under the terms of an asset purchase agreement, Linamar acquired the division commonly referred to as the Company's Battery Tray business line, including the manufacturing facilities located in North Macedonia, Czechia, and Alabama, USA and employees working in the advanced batteries enclosures for Battery Electric Vehicle (BEV) applications, for a total sale price of $325 million. The Company recorded a gain from the transaction of $104.0 million, which is reflected as a gain from discontinued operations in the Consolidated Statement of Operations for the year ended December 31, 2023.

During December 2023, the Company entered into an agreement to sell the Shiloh Warren facility, which included the manufacturing plant and all related fixed assets. Under the terms of an asset purchase agreement, Titan Tool & Die acquired the plant and associated fixed assets for a total sale price of $5.5 million. The company recorded a gain on the sale of $3.6 million, which is reflected as other income in the Consolidated Statement of Operations for the year ended December 31, 2023.

In November 2024, the Company announced that Bielsko-Biala plant in Poland will cease operations by December 2025. The activities and services provided by this facility will be redistributed among other facilities owned by the Company. This strategic decision is aimed at optimizing operational efficiency and resource allocation.

2. Significant Accounting Policies

Principles of Consolidation

The Company consolidates all majority-owned subsidiaries and investments in entities in which it has controlling influence. Non-majority-owned investments are accounted for using the equity method when the Company is able to influence the operating policies of the investee.

The Company eliminates all intercompany balances and transactions at the parent level.

Cash, Cash Equivalents

Cash and cash equivalents consist of highly liquid investments which include money market instruments with original maturities of three months or less and are stated as cost, which approximates fair value. Cash balances may be more than the amounts insured by the Federal Deposit Insurance Corporation. The cash, cash equivalents, and restricted cash held in foreign banks totaled 31.3 million and $21.2 million at December 31, 2024 and December 31, 2023, respectively.

Restricted cash also includes of deposits for supplier bank drafts for a location in China and deposits for letters of credit and equipment financing in the U.S. Amounts included in restricted cash also serve as collateral for future payments on employee-related benefit obligations for certain locations in Germany.

The following table provides a reconciliation of total cash, cash equivalents, and restricted cash reported within the consolidated balance sheets as of December 31, 2024, and as of December 31, 2023 (in thousands):

ank=20250702224200

	December 31, 2024	December 31, 2023
Cash and cash equivalents	$ 33,290	$ 30,165
Restricted cash	1,710	2,056
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	$ 35,000	$ 32,221

Revenue Recognition and Sales Commitments

The Company recognizes revenue when performance obligations to manufacture and supply these products at the point in time that the customer obtains control of the products. Contract terms do not unilaterally include cancellation provisions that would result in an enforceable right to payment for performance completed to date and as a result, revenue is recognized at a point in time. The customer typically obtains control of the products upon shipment in accordance with purchase orders and delivery releases issued by the customer. The Company utilizes several factors when determining whether control has transferred, including whether the Company has a present right to payment for the product, the customer has legal title to the product, the Company has transferred physical possession of the product, the customer has the significant risks and rewards of owning the product, and the customer has accepted the product.

Contracts with customers generally state the terms of the sale, including the quantity and price of each product purchased. Trade accounts receivable from the Company's customers are generally due approximately 60 days from the date the Company's customers receive the product. Contracts typically do not contain variable consideration as the contracts include stated prices. The Company provides warranties that the product will conform to stated specifications, which are not separate performance obligations. The Company excludes sales and other taxes from the transaction price of the contracts with customers. The Company has adopted the practical expedient to treat shipping and handling costs as a cost to fulfill the contract. Because contracts with customers usually only contain one performance obligation that is satisfied at a point in time, there are no satisfied performance obligations that would result in contract assets other than trade accounts receivable. The Company's accounts receivable, net of allowance totaled $106.5 million at December 31, 2024. The Company's accounts receivable, net of allowance totaled $157.7 million at January 1, 2023 and $120.8 million at December 31, 2023. The Company's accounts receivable reserve allowance totaled $1.8 million and $4.9 million at December 31, 2024 and 2023, respectively. The Company did not recognize impairment losses on trade receivables for the years ended December 31, 2024 or December 31, 2023.

Revenues recognized from contracts with customers, disaggregated by geographical location, are presented in the following table for the years ended December 31, 2024 and 2023 (in thousands). Revenues are attributed to regions based on the location of the customer.

	For the year ended December 31, 2024	For the year ended December 31, 2023
North America	$ 463,376	$ 507,052
Europe	361,020	409,984
Asia	29,666	32,202
Total	$ 854,062	$ 949,238

Trade Accounts Receivable and Allowance for Doubtful Accounts

The Company generally does not require collateral related to its trade accounts receivable. The allowance for doubtful accounts is established based on an analysis of trade receivables for known collectability issues and the aging of trade receivables at the end of each period. Past due status is based upon the original invoice. On a monthly basis, a reserve is established for specific customers at the appropriate risk level supported by external documents. The remaining reserve is calculated by aging accounts receivable balances and reserving a larger percentage of older balances.

While routinely executing collection procedures, some receivables will be determined to be uncollectible by management when all collection actions have been completed. When accounts are deemed to be uncollectible, they are written off and no longer reflected in the accounts receivable balance in the financial statements and are no longer used in calculating the allowance for doubtful accounts.

The Company enters into agreements to sell certain of its accounts receivable, primarily in Europe. Sales of receivables are accounted for in accordance with ASC Topic 860, Transfers and Servicing. Agreements which result in true sales of the transferred receivables, which occur when receivables are transferred without recourse to the Company, are excluded from amounts reported in the consolidated balance sheets. Cash proceeds received from such sales are included in operating cash flows. See Note 6 Debt for more details.

Deferred Debt Issuance Costs

The costs related to the issuance of long-term debt are deferred and amortized over the life of each debt instrument. Such costs include transaction costs, fees and commissions paid to the lenders, lawyers, and other external professionals. Debt issuance costs are included as a component of the carrying amount of debt, except for revolving credit facility debt issuance costs, which are included in other noncurrent assets on the consolidated balance sheets. The effective interest is used in the calculation of the amortization over the relevant period. See Note 6 Debt for more details.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Inventories

Inventories are valued at the lower of cost and net realizable value, using the first-in first-out ("FIFO") method. The Company assesses inventory valuation based on estimates of future demand. The estimates of future demand are based upon projections of future related automobile platform sales. The future projected demand of service parts is based upon current service usage.

Foreign Currency Translation

The functional currency is the U.S. dollar as a substantial part of operations are based in the U.S. The financial statements of all subsidiaries with a functional currency other than the U.S. Dollar have been translated into U.S. Dollars. The translation from the applicable foreign currencies to U.S. dollars is performed for balance sheet accounts using exchange rates in effect at the balance sheet date. Revenue and expense accounts are translated from the applicable foreign currency using a weighted average exchange rate for the period. The resulting translation adjustments are recorded as a component of Members' Equity. The Company engages in foreign currency denominated transactions with customers and suppliers, as well as between subsidiaries with different functional currencies. Gains and losses resulting from foreign currency transactions are recognized in net loss in the consolidated statements of operations. Non-functional currency denominated intercompany balances which are long-term in nature are recognized in accumulated other comprehensive income.

Income Taxes

The Company records income tax expense using the asset and liability method which specifies that deferred tax assets and liabilities be measured each year based on the difference between the financial statement and tax base of assets and liabilities at the applicable enacted tax rates. A valuation allowance is provided for deferred tax assets when management considers it more likely than that the asset will not be realized. At December 31, 2024, and December 31, 2023, a valuation allowance has been provided for certain deferred tax assets which the Company has concluded are more likely than not to not be realized. If future annual taxable income were to be significantly less than projected levels, there is a risk that part of deferred tax assets not already provided for by the valuation allowance would expire prior to utilization.

The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company recognizes interest and penalties related to income tax matters in income tax expense.

Pre-Production Costs Related to Long-Term Supply Agreements

The Company incurs pre-production engineering and development ("E&D") costs related to the products produced for its customers under long-term supply agreements. These costs are expensed as incurred unless the cost reimbursement is contractually guaranteed in a customer contract for which costs are capitalized as an asset as incurred and subsequently reduced upon lump sum or piece price recoveries.

ank=20250701-20250702222421

ank=20250702224227

The Company enters into contractual agreements with certain customers to design and develop molds, dies and tools (collectively, "tooling"). Periodically, the Company enters into contractually guaranteed reimbursement agreements related to the sale of tooling to customers. Costs are deferred until reimbursed by the customer. Amounts due under such arrangements are either settled in cash, on a lump sum basis, or settled over the part supply arrangement, in accordance with the specific terms of the arrangement.

The Company also may progress bill on certain tooling being constructed. In certain scenarios, the Company reports deferred revenue resulting from advances from customers or if progress billings are in excess of costs incurred.

Excess of cost over billings on uncompleted tooling projects are recorded in prepaids and other current assets on the consolidated balance sheets, and totaled $6.0 million and $6.3 million as of December 31, 2024 and 2023, respectively.

Occasionally, the Company incurs costs in excess of those contractually reimbursed for customer owned tooling. In those cases, the Company records reserves for such probable and estimable losses. Forecasted losses on incomplete projects are recognized currently when identified.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost or at fair market value for plant, property and equipment acquired through acquisitions. Expenditures for maintenance, repairs and renewals are charged to expense as incurred, while major improvements are capitalized. The cost of these improvements is depreciated over their estimated useful lives. Assets dedicated to a specific customer program, are depreciated over the estimated life of that program. Depreciation is computed using the straight-line method for financial reporting purposes and accelerated methods for income tax purposes. When assets are retired or otherwise disposed, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss on the disposition is included in the earnings for the current period.

Furniture and Fixtures	3 to 10 years
Buildings	20 to 30 years
Machinery and equipment	3 to 10 years
Leasehold improvements	Shorter of useful life or lease term
Land improvements	10 years

Comprehensive Loss

Comprehensive loss disclosed in the consolidated statements of comprehensive loss reflects the change in the equity of a business enterprise during a period from transactions and other events and circumstances from nonowner sources. Comprehensive loss represents net loss adjusted for foreign events and circumstances from nonowner sources.

Revisions to Prior Periods' Financial Statements

During 2024, the Company identified an error that previously overstated accrued liabilities and understated equity by $64.7M. The error originated in 2020, and the impact of this error was immaterial to the 2023 period. However, correcting this error in 2024 would have misstated the 2024 period. As such, the Company has corrected this error by recording a prior period adjustment to 2023 opening equity.

Recently Adopted Accounting Pronouncements

In December 2019, the FASB issued ASU 2019-12, *Income Taxes* (Topic 740), Simplifying the Accounting for Income Taxes, which removes certain exceptions to the general principles in Topic 740 and improves consistent application of and simplifies accounting for other areas of Topic 740 by clarifying and amending existing guidance.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses* (Topic 326), which replaced the incurred loss impairment method with a method that reflects expected credit losses. Under this model an entity would recognize an impairment allowance equal to its current estimate of credit losses on financial assets measured at amortized cost. The FASB has subsequently issued additional ASUs to clarify certain elements of the new guidance for credit losses. The new guidance is effective for the Company's year ended December 31, 2024. Early adoption is permitted.

ank=20250701-20250702224423

3. Property, Plant, and Equipment

Property, plant, and equipment consisted of the following as of December 31, 2024, (in thousands):

	Total
Land and buildings	$ 44,018
Machinery and equipment (1)	111,196
Construction in progress	7,566
Less — Accumulated depreciation and amortization	(76,396)
	$ 86,384

Property, plant, and equipment consisted of the following as of December 31, 2023, (in thousands):

	Owned	Leased	Total
Land and buildings	$ 43,279	$ 2,499	$ 45,778
Machinery and equipment (1)	109,928	416	110,344
Construction in progress	10,543	-	10,543
Less — Accumulated depreciation and amortization	(62,269)	(2,479)	(64,748)
	$ 101,481	$ 436	$ 101,917

(1) Machinery and equipment includes Company-owned tooling of $0.3 million and $0.1 million as of December 31, 2024 and 2023, respectively.

Depreciation expense totaled $16.5 million and $28.4 million for the years ended December 31, 2024 and 2023, respectively.

4. Inventories

Inventories consisted of the following as of December 31, 2024 and 2023 (in thousands):

	December 31, 2024	December 31, 2023
Raw Materials	$ 38,283	$ 42,748
Work-in-process	16,054	18,966
Finished goods	22,961	23,557
	$ 77,298	$ 85,271

The above amounts are shown net of cumulative inventory adjustments of $11.1 million and $11.4 million as of December 31, 2024 and 2023, respectively.

5. Members' Equity

As specified in the Amended and Restated Limited Liability Company Agreement of Megalodon TopCo LLC, dated December 17, 2021, ownership interests are denominated in Units, referred to as "Common Units". The Common Units are divided into Class A Common Units and Class B Common Units. Class A Common Units are entitled to vote on any matter subject to vote of the members. Class B Common Units are non-voting Common Units. All other rights shall be the same relative rights for each share class, as defined in the Operating Agreement (the "Agreement"). As stated in the Agreement, no member shall be liable for the debts, obligations, or liabilities of the Company, including under a judgment, decree or order of a court or arbitrator solely by reason of being a member of the Company. The failure of the Company to observe any formalities or requirements relating to the exercise of its powers shall not be grounds for imposing personal liability of any member for the debts, obligations, or liabilities of the Company. The following is a summary of the allocation of Megalodon TopCo, LLC membership shares as of December 31, 2024 and 2023;

ank=20250702224241

MEGALODON TOPCO, LLC & SUBSIDIARIES

Holder	TopCo A Units	TopCo B Units
MiddleGround Partners I, LP	29,545,512	16,358,648
MiddleGround Mobility Opportunity Fund, LP	13,763,969	9,062,232
Mobility Opportunity Fund, LP	4,935,363	3,249,456
MiddleGround Como Co-Invest Partners, LP	71,363,452	-
Lakewood Hughes II, LP	4,674,833	-
Pelham Street Capital, LLC	116,871	-
BHC Dura LP	-	41,466,667
MiddleGround Piston Co-Invest, LP	-	81,244,098
Total Units	124,400,000	151,381,101

6. Debt

The following is a summary of debt for the Company as of December 31, 2024, and 2023 (in thousands):

	December 31, 2024	December 31, 2023
U.S. Promissory Notes	$ 24,442	$ 28,020
Sound Point Revolver	-	34,764
Eclipse Revolver	34,504	-
Eclipse Term Loan	16,176	-
Eclipse FILO Loan	9,000	-
Member Notes	101,667	88,185
Factoring agreements	12,436	15,434
Finance lease obligations	1,112	107
Other	25,740	27,069
	225,077	193,579
Less - current maturities	13,486	30,824
Long-term debt (a)	$ 211,591	$ 162,755

(a) Balance is net of unamortized debt issuance costs of $0.0 million and $0.2 million as of December 31, 2024 and 2023, respectively.

U.S. Promissory Notes

On August 4, 2020, Firefish TopCo, LLC (as borrower) executed two rollover promissory notes with certain funds affiliated with Bardin Hill Investment Partners LP ("Bardin Hill") (as lender). The promissory notes totaled $10.0 million and $10.9 million and had an initial term of four years. The principal amount initially bore interest at a fluctuating rate equal to LIBOR plus 2.00% for the first year and compounded quarterly, with additional basis points escalating over the duration of the agreement. On June 20, 2024, these promissory notes were amended and restated into a single note with a principal amount of $22,796,302. The unpaid principal amount now accrues interest at Term SOFR for a three-month period plus 8.00%, with overdue principal accruing interest at this rate plus an additional 5.00%. As of December 31, 2024, the outstanding amount was $24.4 million. The weighted average interest rate was 13.00% for the year ended December 31, 2024. As of December 31, 2023, the amount outstanding was $28.0 million, which included accrued interest of $7.1 million. The weighted average interest rate was 13.50% for the year ending December 31, 2023.

ark=20250702242

ark=20250701

Global Term Loan

In April 2022, Megalodon Midco LLC (as borrower) entered into a term loan agreement with Blue Torch (as administrative agent, collateral agent, and lender). The term loan totals $106.6 million and has a term of two years. The term loan bears interest at either (i) the Reference Rate plus 8.00% per annum, or (ii) the LIBOR Rate plus 9.00% per annum. The agreement is collateralized by the equity interests, cash balances, buildings, machinery and equipment, intellectual property and inventory of the borrower. The amount outstanding under this facility was $102.3 million as of December 31, 2022, which is net of unamortized debt issuance costs of $4.3 million. The average interest rate was 11.51% for the year ended December 31, 2022. The Company was in compliance with all debt covenants at December 31, 2022. This facility was paid off in full and terminated in August 2023.

Sound Point Revolver

In July 2022, Megalodon SPV LLC, an indirect subsidiary of Megalodon, (as borrower) and Megalodon (as master servicer) entered into a revolving credit agreement with Sound Point Capital Management (as administrative agent and lender). This agreement consisted of a $70.0 million revolving facility, later amended to $50.0 million in June 2023, to finance the acquisition of receivables from certain Megalodon subsidiaries. The agreement had a maturity date of January 6, 2025. The Company secured the SoundPoint revolver by granting to the administrative agent, for the benefit of the secured parties, a first priority security interest in and lien on the receivables of the Company as set forth in the credit agreement. The facility bore interest at the Reference Rate plus 7.50% per annum. The amount outstanding under this facility was $34.8 million as of December 31, 2023. The weighted average interest rate was 13.32% for the year ended December 31, 2023. The SoundPoint facility was paid in full and terminated in June 2024.

Eclipse Revolver

In June 2024, Grouper Acquisition Company, LLC, Grouper Stamping, LLC, Grouper Wild, LLC, DUS Operating Inc., and Grouper Mexico Holdings, LLC (collectively, as borrowers) entered into a revolving credit agreement with Eclipse Business Capital LLC (as administrative agent and lender). The initial draw amount was $20.6 million, with a possible asset-backed capacity of $75.0 million, and a maturity date of June 20, 2027. The principal amount unpaid as of December 31, 2024, was $34.5 million. The facility bore interest at a nominal rate of 4.75%, plus a SOFR rate and a 0.5% unused fee. The average interest rate for the year ended December 31, 2024, was 9.9%. The revolving credit agreement was secured by a US AR borrowing base.

Eclipse Term Loan

In June 2024, Grouper Acquisition Company, LLC, Grouper Stamping, LLC, Grouper Wild, LLC, DUS Operating Inc., and Grouper Mexico Holdings, LLC (collectively, as borrowers) executed a term loan agreement with Eclipse Business Capital LLC (as administrative agent and lender). The original amount of the debt owed was $17.2 million, with a maturity date of June 20, 2027. The principal amount unpaid as of December 31, 2024, was $16.2 million, and the accrued interest balance was $1.0 million. The facility bore interest at a rate of 5.75% plus SOFR. The average interest rate for the year ended December 31, 2024, was 10.9%. The term loan agreement included PIK (payment-in-kind) interest.

Eclipse FILO Loan

In June 2024, Grouper Acquisition Company, LLC, Grouper Stamping, LLC, Grouper Wild, LLC, DUS Operating Inc., and Grouper Mexico Holdings, LLC (collectively, as borrowers) entered a FILO (First-In, Last-Out) loan agreement with Eclipse Business Capital LLC (as administrative agent and lender). The original amount of the debt owed was $9.0 million, with a maturity date of June 20, 2027. The principal amount unpaid as of December 31, 2024, was $9.0 million, and the accrued interest balance was $0.60 million. The facility bore interest at a rate of 7.25% plus SOFR. The average interest rate for the year ended December 31, 2024, was 12.9%. The FILO loan agreement included PIK (payment-in-kind) interest.

Member Notes

On October 28, 2021, Firefish Topco, LLC (as borrower) executed a promissory note with MiddleGround Mobility Opportunity Fund, L.P. (as lender) for the use of repaying the Working Capital Bank Facility. The promissory note totaled €35.0 million, or $37.4 million, and was set to mature on October 28, 2024. The note bore interest at 8.00% per annum. The note was collateralized by a continuing security interest in the Company's real and personal property. As of August 23, 2023, this note was paid in full and terminated with proceeds from the Battery Tray divestiture.

On January 14, 2022, Megalodon Midco LLC (as borrower) executed two promissory notes with MiddleGround Mobility Opportunity Fund, LP and Mobility Opportunity Fund, LP (as lenders). The promissory notes totaled $18.4 million and $6.6 million, respectively, and had an initial term of three years. The notes bore interest at 10.00% per annum. The notes were collateralized by a continuing security

interest in the Company's real and personal property. On August 23, 2023, Megalodon Midco LLC made a payment in the amount of $18.4 million using proceeds from the Battery Tray divestiture. The amount outstanding under this facility was $11.4 million as of December 31, 2023. The weighted average interest rate was 10.00% for the year ended December 31, 2023. This note was paid in full and terminated in 2024.

On March 2, 2022, Megalodon Midco LLC (as borrower) executed a promissory note with MiddleGround Mobility Opportunity Fund, LP and Mobility Opportunity Fund, LP (as lenders). The promissory note commitment totaled $25.0 million and ended on March 2, 2023. In March 2023, and again in September 2023, this note was extended. The note bore interest at 10.00% per annum. The notes were collateralized by a continuing security interest in the Company's real and personal property. On August 7, 2023, and August 23, 2023, Megalodon Midco LLC made payments totaling $9.9 million using proceeds from the Battery Tray divestiture. The amount outstanding under this facility was $15.0 million as of December 31, 2023. The weighted average interest rate was 10.00% for the year ended December 31, 2023. This note was paid in full and terminated in 2024.

On July 19, 2022, Firefish Topco, LLC (as borrower) executed a promissory note with MiddleGround Mobility Opportunity Fund, L.P. and Mobility Opportunity Fund, L.P. (as lenders) to replace and terminate the August 20, 2021, promissory note. The promissory note totaled $26.6 million and had an initial term of eighteen months. The note bore interest at 10.00% per annum. The note was collateralized by a continuing security interest in the Company's real and personal property. The amount outstanding under this facility was $30.8 million as of December 31, 2023. The weighted average interest rate was 10.00% for the year ended December 31, 2023. This note was paid in full and terminated in 2024.

On January 13, 2023, Firefish Topco, LLC (as borrower) executed a promissory note with MiddleGround Mobility Opportunity Fund, L.P. and Mobility Opportunity Fund, L.P. (as lenders) to pay down the October 28, 2021, promissory note. The promissory note totaled $17.0 million and had an initial term of eighteen months. The note bore interest at 10.00% per annum. The note was collateralized by a continuing security interest in the Company's real and personal property. The amount outstanding under this facility was $18.7 million as of December 31, 2023. The weighted average interest rate was 10.00% for the year ended December 31, 2023. This note was paid in full and terminated in 2024.

On December 15, 2023, Megalodon SPV, LLC (as borrower) executed a promissory note with MiddleGround Partners I, L.P. (as lender) to pay down the Sound Point Revolving Credit Agreement. The promissory note totaled $12.5 million and had an initial term of two- and one-half years. The note bore interest at 10.00% per annum. The amount outstanding under this facility was $12.3 million, net of $0.2 million in unamortized debt issuance fees, as of December 31, 2023. The weighted average interest rate was 10.00% for the year ended December 31, 2023. This note was paid in full and terminated in 2024.

In 2024, all remaining member notes were consolidated into a single loan. This consolidation was executed on November 20, 2024, as part of a strategic financial restructuring to streamline the Company's debt obligations. The consolidated loan has a principal amount of $99.6 million, an interest rate of 18.00% per annum, and a maturity date of December 20, 2027. The loan is secured by a continuing security interest in the Company's real and personal property. As of December 31, 2024, the amount outstanding under this consolidated loan was $101.6 million. The weighted average interest rate was 18.00% for the year ended December 31, 2024.

Factoring Agreements

On June 27, 2008, Dura Automotive Systems SAS entered into a receivables factoring agreement with GEFactoFrance (now FactoFrance) for the factoring of receivables from a French subsidiary of the Company. The receivables transferred represent a security pledged to the counterparty and are accounted for as a transfer and secured borrowing. This agreement contains representations, warranties, and conditions that are customary for transactions of this type and were initially entered into for a duration of three years. An amendment in 2011 extended the term indefinitely. Subject to the term of three months' notice, either party may terminate this agreement at any time by notification sent to the other party. The maximum borrowing under this facility is based on available and qualified receivables. As of December 31, 2024, the outstanding borrowing amount was $2.2 million, and as of December 31, 2023, it was $3.7 million. The average interest rate was approximately 4.77% and 0.65% for the years ended December 31, 2024 and December 31, 2023, respectively.

In March 2013, Finnveden Metal Structures, AB entered into a receivables factoring arrangement with Skandinaviska Enskilda Banken, AB (SEB). The maximum borrowing under this facility is $14.7 million, based on available and qualified receivables. The receivables transferred represent a security pledged to the counterparty and are accounted for as a transfer and secured borrowing. Subject to the term of two months' notice, either party may terminate this agreement at any time by notification sent to the other party. The outstanding borrowing amount was $3.4 million as of December 31, 2024, and $4.0 million as of December 31, 2023. The average interest rate was approximately 4.65% and 1.16% for the years ended December 31, 2024 and December 31, 2023, respectively.

ank=20250701-20250702224426

In May 2021, Dura Automotive Systems CZ, k.s. entered into a receivables factoring arrangement with Factoring Ceske sporitelny, a.s. The maximum borrowing under this facility is $27.1 million, based on available and qualified receivables. The receivables transferred represent a security pledged to the counterparty and are accounted for as a transfer and secured borrowing. Subject to the term of two months' notice, either party may terminate this agreement at any time by notification sent to the other party. The outstanding borrowing amount was $4.7 million as of December 31, 2024, and $5.6 million as of December 31, 2023. The average interest rate was approximately 6.21% and 0.75% for the years ended December 31, 2024 and December 31, 2023, respectively.

In July 2021, Shiloh Industries Sp. Z.o.o. entered into a receivables factoring arrangement with Coface Poland Factoring Sp. Z.o.o. The maximum borrowing under this facility is $5.7 million, based on available and qualified receivables. The receivables transferred represent a security pledged to the counterparty and are accounted for as a transfer and secured borrowing. Subject to the term of two months' notice, either party may terminate this agreement at any time by notification sent to the other party. The outstanding borrowing amount was $2.1 million as of December 31, 2024, and $2.2 million as of December 31, 2023. The average interest rate was approximately 5.52% and 0.54% for the years ended December 31, 2024 and December 31, 2024, respectively.

ank=20250701;ank=20250702427

Other Debt

On December 22, 2021, Shiloh de Mexico, S.A. DE C.V. sold land and building to Grupo Mencorsa SLP, S.A. de C.V. and entered into an agreement to lease back the land and building for a 15-year term. This arrangement did not meet the criteria of a true sale and therefore, is considered a financing arrangement for the land and building utilized by the location in Mexico. As of December 31, 2024, and 2023, the amount outstanding under this facility was $3.7 million and $3.8 million, respectively. Loan costs related to this arrangement are included in other non-current assets in the consolidated balance sheets and are being amortized over the life of the loan. For the years ended December 31, 2024, and 2023, loan costs totaled $0.3 million.

On May 1, 2022, the Company sold land and building to CPI 2 Einbeck S.ar.l. and entered into an agreement to lease back the land and building for a 20-year term. This arrangement did not meet the criteria of a true sale and therefore, is considered a financing arrangement for the land and building utilized by the location in Germany. The amount outstanding under this facility was $11.1 million and $12.0 million as of December 31, 2024, and 2023, respectively.

On February 1, 2022, the Company sold land and building to Crescendo Czech s.r.o and entered into an agreement to lease back the land and building for a 20-year term. This arrangement did not meet the criteria of a true sale and therefore, is considered a financing arrangement for the land and building utilized by the location in Czech Republic. The amount outstanding under this facility was $6.6 million and $6.9 million as of December 31, 2024, and 2023, respectively.

On December 16, 2021, the Company sold land and building to CPI 2 Germany S.ar.l. and entered into an agreement to lease back the land and building for a 20-year term. This arrangement did not meet the criteria of a true sale and therefore, is considered a financing arrangement for the land and building utilized by the location in Germany. The amount outstanding under this facility was $4.4 million and $4.4 million as of December 31, 2024, and 2023, respectively.

Principal Maturities of Debt

As of December 31, 2024, future principal maturities of debt, including capital lease obligations, are as follows (in thousands):

2025	$	13,486
2026		881
2027		186,385
2028		686
2029		800
Thereafter		22,839
	$	225,077

External vs Related Party Debt

Outstanding debt and debt issuances, net of repayments, are broken down between related parties and external lenders below (in thousands):

	December 31, 2024		December 31, 2023	
	Related Party	External	Related Party	External
Outstanding Debt	$ 101,667	$ 122,408	$ 88,185	$ 105,394
(Repayments) Issuances, net	13,482	17,014	(11,549)	(166,456)

ark=20250702224228

7. Employee Benefit Plans

The Company sponsors two defined benefit type plans that cover certain former hourly and salaried employees in Germany. The policy is to make annual contributions to the plans to fund the normal cost as required by local regulations.

Each overfunded plan is recognized as an asset and each underfunded plan is recognized as a liability. Unrecognized prior service costs or credits, net actuarial gains or losses and net transition obligations, as well as subsequent changes in the funded status, are recognized as a component of AOCI in members' equity.

For the Company, the change in benefit obligation, plan assets and funded status consisted of the following for the years ended December 31, 2024 and 2023 (in thousands):

Change in Benefit Obligation:	December 31, 2024	December 31, 2023
Benefit obligation at beginning of period	$ 12,891	$ 13,868
Interest cost	436	530
Actuarial gain	203	(421)
Benefits paid	(1,021)	(1,015)
Exchange rate changes	(170)	(71)
Benefit obligation at end of period	$ 12,339	$ 12,891
Change in Plan Assets:		
Fair value of underfunded plan assets at beginning of period	$ -	$ (557)
Actual return on plan assets	-	809
Employer contributions	474	794
Benefits paid	(474)	(1,046)
Fair value of underfunded plan assets at end of period	$ -	$ -

The amounts recognized in the consolidated balance sheets as of December 31, 2024 and 2023 are as follows (in thousands):

	December 31, 2024	December 31, 2023
Current liabilities	$ (1,010)	$ (1,010)
Noncurrent liabilities	(11,329)	(11,881)
Net amount recognized	$ (12,339)	$ (12,891)

Amounts not yet recognized in net periodic benefit cost and included in AOCI (pre-tax) as of December 31, 2024 and December 31, 2023 are as follows (in thousands):

	December 31, 2024	December 31, 2023
Net actuarial loss [1]	$ (6,339)	$ (7,069)

(1) The reported amounts are shown on a gross basis and do not include taxes and certain foreign currency translation adjustments.

The components of net periodic benefit costs for the years ended December 31, 2024 and 2023 are as follows (in thousands):

	December 31, 2024	December 31, 2023
Interest cost	$ 436	$ 530
Expected return on plan assets	-	(16)
Net periodic benefit cost	$ 436	$ 514

Net periodic benefit costs are included in the other (expense) income line of the consolidated statement of operations.

The following weighted-average assumptions were used by the Company to determine benefit obligations as of December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Discount rate	3.44%	3.52%

The following weighted average assumptions were used to determine net periodic benefit costs for pension benefits for the years ended December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Discount rate	3.53%	3.88%
Expected return on plan assets	3.3%	3.35%

Megalodon employs a building block approach in determining the expected long-term rate of return for plan assets. Historical markets are studied and long-term historical relationships between equities and fixed income are presumed to be consistent with the widely-accepted capital market principle that assets with higher volatility generate a greater return over the long run. Current market factors such as inflation and interest rates are evaluated before long-term capital market assumptions are determined. The expected long-term portfolio return is established via building block approach with proper consideration of diversification and rebalancing. Peer data and historical returns are reviewed to check for reasonableness and appropriateness.

Plan Assets

Plan assets for the defined benefit pension plans were $0.0 million as of December 31, 2024 and 2023. As of December 31, 2024 and 2023, the plan was underfunded.

The Company plans to contribute an amount equal to the plan payments in 2025.

At December 31, 2024 and 2023, the Company has $1.0 million and $1.2 million of restricted cash, which serves as collateral for future payments on employee-related benefit obligations in certain locations in Germany.

1-20250702224429
zik=20250702

The following table presents the projected benefit payments as of December 31 (in thousands):

2025	$	1,014
2026		1,029
2027		1,005
2028		976
2029		958
Thereafter	$	4,170

Retirement Savings Plans

The Company sponsors various employee retirement savings plans that allow qualified employees to provide for their retirement on a tax deferred basis. In accordance with the terms of the retirement savings plans, the Company may match certain of the participants' contributions and/or provide employer contributions based on the performance and other factors. The Company's contributions totaled $2.9 million and $3.6 million during the years ended December 31, 2024 and 2023, respectively. The Company did not make any discretionary contributions to the U.S. savings plan in 2024 or 2023.

Non-U.S. Plans

For the Swedish operations, most of the pension obligations are covered by insurance policies with insurance companies. Pension commitments in the Swedish operations were $1.5 million as of December 31, 2024 and 2023.

8. Income Taxes

The provision for income taxes consisted of the following for the years ended December 31, 2024 and 2023 (in thousands):

	December 31, 2024		December 31, 2023	
Current-	Continuing Ops	Discontinued Ops	Continuing Ops	Discontinued Ops
United States	$ (1,852)	$ -	$ (13,276)	$ 15,173
Foreign	7,416	-	5,022	3,463
Total current income tax expense	5,564		(8,254)	18,636
Deferred-				
United States	(1,333)	-	6,016	561
Foreign	7,954	-	1,095	3,906
Total deferred income tax benefit	6,621	-	7,111	4,467
Total income tax benefit	$ 12,185	$ -	$ (1,143)	$ 23,103

The Company is organized as a limited liability company and has elected to be taxed under U.S. Corporation rules, whereby income is taxable to the Company. The current and deferred provision for the United States reflects taxes associated with federal and state income taxes and foreign withholding on income.

ank=20250701-20250702224430

ark=20250701-20250702224431

A reconciliation of the provision for income taxes at the statutory rates to the reported income tax provision is as follows for the years ended December 31, 2024 and 2023 (in thousands):

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
Federal provision at statutory rates	$ 10,418	$ (8,811)
Difference in income tax on foreign earnings	(18,328)	8,155
Valuation allowance	25,076	11,067
State taxes, net of federal income tax benefit	(42)	530
Anti Hybrid	(15)	1,308
Check the box benefit	1,063	10,387
Dividend Income	-	(109)
True up of US deferreds (including FX)	(8,278)	(2,399)
Interest and Penalties	1,420	1,420
Withholding taxes	(152)	(9)
Tax credits/holidays	(297)	(336)
Effect of other permanent items	1,320	757
Change in unrecognized tax benefits	-	-
	$ 12,185	$ 21,960

The Company has accrued interest and penalties related to unpaid U.S. taxes of $1.4 million and $1.4 million as of December 31, 2024 and 2023, respectively. Consistent with the Company's accounting policy, the costs due to Accrued interest and penalties from unpaid U.S. taxes are classified as income tax expense.

A summary of deferred tax assets (liabilities) is as follows for the Company as of December 31, 2024 and 2023 (in thousands):

	December 31,	
	2024	2023
Depreciation and property basis differences	$ 1,448	$ (238)
Goodwill and intangibles	7,420	8,091
Net operating loss carryforwards	68,239	61,887
Postretirement benefit obligations	381	459
Accrued interest	33,263	17,554
Accrued compensation costs	714	756
Facility closure and consolidation costs	410	522
Inventory valuation adjustments	2,798	2,889
Warranty and environmental costs	690	494
Capital loss carryforward	46	45
Foreign exchange	(720)	(828)
Bad debt allowance	(114)	6,867
Prepaid expenses	8,139	8,829
Other	(5,423)	(3,892)
Tax credits and WH tax	313	557
R&D Costs	3,557	4,130
Valuation allowance	(100,717)	(80,991)
Net deferred tax asset	$ 20,444	$ 27,131

As of December 31, 2024 and 2023, the consolidated balance sheet includes $20.4 million and $27.1 million, respectively, of noncurrent deferred tax assets and an insignificant amount of noncurrent deferred tax liabilities.

Deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on differing treatment of items for financial reporting and income tax reporting purposes. The deferred tax balances are adjusted to reflect tax rates by tax jurisdiction, based on currently enacted tax laws, which will be in effect in the years in which the temporary differences are expected to

reverse. The Company has deferred income tax assets on net operating loss carryforwards to the extent they believe they will be able to utilize them in future tax filings. As of December 31, 2024 and 2023, the Company recorded a valuation allowance of $100.7 million and $80.9, respectively, based on management's determination that it is more-likely-than-not that the tax benefits related to these assets will not be realized. The valuation allowance includes a full valuation on deferred tax assets in France, Portugal, Poland, Romania, Netherlands, Sweden, Hong Kong, United Kingdom and certain entities in Germany, North Macedonia and China, as well as a partial valuation allowance on the United States.

As of December 31, 2024, the Company has $370.3 million of gross U.S. federal, state and foreign net operating loss carryforwards, reflecting a U.S. federal and state net operating loss of $158.5 million and foreign corporate net operating losses of $211.8 million. As of December 31, 2023, the Company has $340.8 million of gross U.S. federal, state and foreign net operating loss carryforwards, reflecting a U.S. federal and state net operating loss of $116.4 million and foreign corporate net operating losses of $224.4 million. The net operating losses can be carried forward between 3 years and indefinitely. The majority of the net operating losses have no expiration date; however some of the remaining losses will begin to expire in 2025.

For the year ended December 31, 2024, the Company has recorded a deferred tax liability of $0.3 million, associated with the non-reserved undistributed earnings related to China and India entities that regularly pay dividends. As of December 31, 2023, the Company has recorded a deferred tax liability of $0.3 million, associated with the non-reserved undistributed earnings related to China and India entities that regularly pay dividends.

There were no unrecognized tax benefits and no amounts accrued for interest and penalties as of December 31, 2024 and December 31, 2023. The Company is currently not aware of any issues under review that could result in significant payments, accruals, or material deviation from its positions. The Company is subject to income tax examinations by major taxing authorities in the countries in which it operates since its inception.

The Company files tax returns, including tax returns for its subsidiaries, in the U.S. and several foreign jurisdictions. The current U.S. open examination periods are 2021 forward. In addition, open tax years related to various states remain subject to examination. The foreign taxing jurisdictions are subject to examination for open years after 2015 and the period of open years varies by jurisdiction.

9. Commitments and Contingencies

Leases

The Company has operating lease obligations that include office space, manufacturing space and certain equipment under agreements with contractual periods ranging from less than one year to 20 years. Many of the lease obligations contain one or more options to extend. The Company includes options that are reasonably certain to exercise in the evaluation of the lease term after considering all relevant economic and financial factors. The leases are classified as right of use assets in the non-current assets section of the consolidated balance sheet.

The Company does not separate the non-lease components (e.g., maintenance and operating services) from the lease components to which they relate. Instead, non-lease components are included in the measurement of the lease obligations. The Company calculates the initial lease liability as the present value of fixed payments not yet paid and variable payments that are based on a market or an index rate, measured at commencement. Most of the leases are discounted using the incremental borrowing rate because the rate implicit in the lease obligation is not readily determinable. All other variable payments are expensed as incurred.

The components of lease cost are as follows:

	2024	2023
Operating lease costs	$ 16,751	$ 22,346

ank=20250701-20250702224432

ank=20250702224331

MEGALODON TOPCO, LLC & SUBSIDIARIES

Lease obligation right-of-use assets and liabilities at December 31, 2024 and 2023, were as follows (in thousands):

Operating lease liability	2024	2023
Right of use assets, non-current	$ 91,067	$ 107,289
Operating lease liability, current	$ 8,119	$ 8,460
Operating lease liability, non-current	88,512	102,290
Total operating lease liabilities	$ 96,631	$ 110,750

Future annual commitments under these lease obligations are as follows as of December 31 (in thousands):

	2024	
Year	Finance Lease Obligations	Operating Lease Liabilities
2025	$ 1,056	$ 16,187
2026	42	15,487
2027	14	14,000
2028	-	11,895
2029	-	9,802
Thereafter	-	72,819
Total lease liability	$ 1,112	$ 140,190
Less interest	-	(43,559)
Total Liability	$ 1,112	$ 96,631

The weighted-average remaining lease term and weighted-average discount rate at December 31, 2024, and 2023 were as follows:

	2024	2023
Weighted-average remaining lease term (in years)		
Operating leases	11.32	11.52
Finance leases	2.2	0.8
Weighted-average discount rate		
Operating leases	7.9%	7.9%
Finance leases	2.3%	4.2%

Supplemental cash flow information related to leases for the years ended December 31, 2024 and 2023 was as follows (in thousands);

	2024	2023
Cash paid for amounts included in the measurement of lease obligations		
Operating cash flows from finance leases	$ 4	$ 8,073
Operating cash flows from operating leases	16,301	17,279
Financing cash flows from finance leases	118	6,744
Right-of-use assets obtained in exchange for new finance lease obligations	10	-
Right-of-use assets obtained in exchange for new operating lease obligations	553	857

ank=20250701-20250702434

Warranty and Environmental

The Company has an inherent business risk of exposure to warranty claims in the event that manufactured products do not perform as expected and results in replacement of product on vehicles in the field. OEMs are increasingly requiring their suppliers to guarantee or warrant their products and bear the costs of repair and replacement of such products under new vehicle warranties. Depending on the terms under which the Company supplies products to an OEM, an OEM may hold us responsible for some or all of the repair and replacement costs of warranty claims under new vehicle warranties when the product supplied does not perform as represented.

The Company's policy is to record reserves for customer warranty costs on a case by case basis at the time they believe such amounts are probable and reasonably estimable and to review these determinations on a quarterly basis, or more frequently as additional information is obtained. The Company has established reserves for issues that are probable and reasonably estimable in amounts management believes are adequate to cover reasonable adverse judgments. The Company determines the warranty reserves based on identified claims and the estimated ultimate projected claim cost. The final amounts determined for these matters could differ significantly from recorded estimates. The warranty accrual balance was $1.0 million and $1.1 million as of December 31, 2024 and 2023, respectively.

The Company is subject to the requirements of federal, state, local and foreign environmental and occupational health and safety laws and regulations. Some of the operations involve the use of hazardous substances. Like all manufacturers, if a release of hazardous substances occurs or has occurred at or from any of the current or former properties or at a landfill or another location where the Company has disposed of wastes, and may be held liable for the contamination, which could be material. The Company's policy regarding the recording of environmental reserves is the same as for warranty. The reserves are reviewed on a quarterly basis or more frequently as additional information is obtained. The environmental reserve balance was $0.7 million and $0.8 million as of December 31, 2024 and 2023, respectively.

Litigation

The Company is involved in various legal proceedings. Due to their nature, such legal proceedings involve inherent uncertainties, including, but not limited to, court rulings, negotiations between affected parties and governmental intervention. The Company establishes reserves for matters that are probable and reasonably estimable in amounts they believe are adequate to cover reasonable adverse judgments not covered by insurance. Based upon the information available to us and discussions with legal counsel, it is management's opinion that the ultimate outcome of the various legal actions and claims that are incidental to the business will not have a material adverse impact on the consolidated balance sheet, statement of operations, or statement of cash flows; however, such matters are subject to many uncertainties, and the outcome of individual matters are not predictable with assurance. The Company has insurance coverage for certain litigation type matters. The litigation reserve balance was $1.0 million and $0.1 million as of December 31, 2024 and 2023, respectively.

Concentrations of Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist primarily of accounts receivable and cash investments. The Company's customer base includes significant global automotive manufacturers and many distributors and installers of automotive aftermarket parts. For the year ended December 31, 2024, three customers accounted for approximately 26%, 11%, and 9%, respectively, of the Company's revenues. For the year ended December 31, 2023, three customers accounted for approximately 18%, 15%, and 12%, respectively, of the Company's revenues. The Company's credit evaluation process, reasonably short collection terms and the geographical dispersion of sales transactions help to mitigate credit risk concentration. The Company requires placement of cash in financial institutions evaluated as highly creditworthy.

The Company's business is labor intensive and utilizes many unionized employees. As of December 31, 2024 and 2023, approximately 10% and 9%, respectfully, of the U.S. employees were unionized and a substantial number of non-U.S. employees are covered by Workers' Councils. In the U.S., they have collective bargaining agreements with the Iron Workers (International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers) and the Teamsters (Excavating, Building Material, Construction Drivers, Race Track Employees, Public Employees, Manufacturing, Processing, Assembling and Installer Employees) and UAW (International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America). The majority of non-U.S. employees are members of industrial trade union organizations and confederations within their respective countries. Many of these organizations and confederations operate under national contracts, which are not specific to any one employer. The Iron Workers contract expired in 2023. The Teamsters and UAW contracts expire in 2027 for the unionized facilities in the U.S. and expire annually for non-U.S. facilities. Although the Company believes that the relationship with union employees is generally good, there can be no assurance that they will be able to negotiate new agreements on favorable terms. In the event are unsuccessful in negotiating new agreements, these facilities could be subject to work stoppages, which could have a material adverse effect on operations.

The Company has manufacturing and product development facilities located in the U.S., Europe, and Asia. A significant portion of operations are located outside of the U.S.

The net assets of the continuing operations outside of the U.S. are as follows as of December 31, 2024 and 2023 (in thousands):

	December 31, 2024	December 31, 2023
Europe	$ 391,810	$ 612,323
Asia	(15,656)	209,367
Total foreign operations	376,154	$ 821,690

ark=20250702224351-20250702224435

10. Related Party Transactions

Certain entities known by the Company are beneficial owners of more than 10% of the Company's common units. Further, certain related parties of the Company are also lenders to the Company. The table below summarizes the ownership percentages, debt balances and interest to the lenders as of December 31, 2024 and 2023.

		Common Units	% of Ownership	Debt Balance	Interest Expense
2023	MiddleGround Capital	229,522,730	83%	$ 88,185	$ 8,275
	BHC Dura, LP	41,466,667	15%	-	-
2024	MiddleGround Capital	229,522,730	83%	$ 101,667	$ 10,551
	BHC Dura, LP	41,466,667	15%		

As discussed in Note 6 Debt, the Company has executed promissory notes with Bardin Hill, which is an affiliate of BHC Dura LP. Interest expense on these notes totaled $3.3 million and $1.7 million as of December 31, 2024 and 2023, respectively.

Management and consulting services are provided by MiddleGround Capital ("MiddleGround"). As consideration for these services, the Company incurred management fees of $1.7 million and $2.3 million during the years ended December 31, 2024 and 2023, respectively. Additionally, the Company reimburses MiddleGround for fees paid on its behalf and services performed by MiddleGround employees. The fees related to these reimbursements totaled $3.1 million and $4.6 million for the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023, the Company paid Middleground financing fees for the Member Notes in the amount of $0.0 million and $0.5 million, respectively. As of December 31, 2024 and December 31, 2023, there was an amount due to Middlground in the amount of $0.0 million and $0.3 million, respectively, and is reported in accounts payable on the consolidated balance sheets.

Consulting services are provided by Banner Industries ("Banner"), an entity related through common ownership. Fees for these services totaled $0.1 million and $0.8 million for the years ended December 31, 2024, and December 31, 2023, respectively. The total amount due to Banner was $0.0 million and $0.2 million as of December 31, 2024, December 31, 2023, respectively, and is reported in accounts payable on the consolidated balance sheets.

11. Discontinued Operations

On August 3, 2023, the Company completed the sale of Battery Tray, that included plants in North American and Europe to Linamar Corporation. Under the terms of an asset purchase agreement, Linamar acquired the division commonly referred to as the Company's Battery Tray business line, including the manufacturing facilities located in North Macedonia, Czechia, and Alabama, USA and employees working in the advanced batteries enclosures for Battery Electric Vehicle (BEV) applications, for a total sale price of $325 million. The Company recorded a gain from the transaction of $104.0 million, which is reflected as a gain from discontinued operations in the consolidated statement of operations for the year ended December 31, 2023. In accordance with the applicable accounting guidance for the disposal of long-lived assets, the results of the Battery Tray business are presented as discontinued operations and, as such, have been excluded from continuing operations for the year ended December 31, 2023. The company made $4.5 million in cash payments related to the discontinued operations for the year ended December 31, 2023. During 2024, the Company recognized a loss of $18.0 million when the escrow related to the sale of Battery Tray was released. This is reflected as a loss from discontinued operations in the consolidated statement of operations for the year ended December 31, 2024. There were no discontinued operations in 2024.

12. Subsequent Events

The Company evaluated the consolidated financial statements for subsequent events through April 22, 2025, the date the consolidated financial statements were available to be issued. In January 2025, the Company executed a term loan agreement with Cerberus (as administrative agent and lender). The original amount of the debt owed was $20 million, with a maturity date of July 31, 2026. The Company is not aware of any other subsequent events that would require recognition and disclosure in the financial statements.

ar1=20250702224436