

Årsredovisning

för

Callenberg Group AB

556676-2836

Räkenskapsåret

2024

Fastställelseintyg

Undertecknad styrelseledamot i Callenberg Group AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämman den 16 maj 2025. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Göteborg den 21 maj 2025



Johan Sundmark

Styrelsen för Callenberg Group AB avger följande årsredovisning för räkenskapsåret 2024.

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

Callenberg Group AB är moderbolag i en koncern som är en av de ledande internationella aktörerna inom el, automation och ventilationslösningar till offshore och marin industri. Bolaget skall äga och förvalta fast och lös egendom genom hel- eller delägda bolag, samt bedriva därmed förenlig verksamhet.

Bolaget har sitt säte i Göteborg.

Allmänt om verksamheten

Callenberg Group AB är moderbolag i en koncern. Bolaget äger och förvaltar aktier och andelar i Svenska och utländska bolag och är beläget i Göteborg (se not 16).

Med stöd av ÅRL 7:2 i Svenska och utländska bolag och EG-kommissionens beslut 2008-12-12 upprättas ingen koncernredovisning i den svenska koncernen. Koncernredovisning upprättas av det överordnade moderbolaget Trident Maritime Systems, LLC, USA (employer identification number 37-1714323). Koncernredovisning finns tillgänglig på adress 2011 Crystal Drive, Suite 1102, Arlington, VA 22202, USA.

Flerårsöversikt (Tkr)	2024	2023	2022	2021
Nettoomsättning	24 994	27 702	23 351	17 795
Resultat efter finansiella poster	27 481	63 121	9 005	-73 881
Soliditet (%)	65,0	73,0	52,8	48,5
Balansomslutning	477 634	406 260	441 919	383 412

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Förändringar i eget kapital

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	289 593 398
årets vinst	22 740 656
	312 334 054
disponeras så att	
i ny räkning överföres	312 334 054

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



Resultaträkning

Tkr

	Not	2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
Rörelsens intäkter	1, 2		
Nettoomsättning	3	24 996	27 701
Bruttoresultat		24 996	27 701
Rörelsens kostnader			
Administrationsomkostnader	4	-26 039	-31 249
Övriga rörelsekostnader		-185	-847
		-26 224	-32 096
Rörelseresultat		-1 228	-4 395
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	5	4 632	72 864
Övriga ränteintäkter och liknande resultatposter	7, 8	33 743	12 469
Räntekostnader och liknande resultatposter	6	-9 666	-19 817
		28 709	65 516
Resultat efter finansiella poster		27 481	61 121
Erhållet koncernbidrag	9	0	2 000
Resultat före skatt		27 481	63 121
Skatt på årets resultat	19	-4 740	-288
Årets resultat		22 741	62 833

Balansräkning

Tkr

Not

2024-12-31

2023-12-31

TILLGÅNGAR

Anläggningstillgångar

Immateriella anläggningstillgångar

Koncessioner, patent, licenser, varumärken samt liknande rättigheter

10

0

0

0

0

Materiella anläggningstillgångar

Inventarier, verktyg och installationer

11

0

0

0

0

Finansiella anläggningstillgångar

Andelar i koncernföretag

12

153 998

153 969

153 998

153 969

Summa anläggningstillgångar

153 998

153 969

Omsättningstillgångar

Kortfristiga fordringar

Fordringar hos koncernföretag

3, 13

270 970

240 457

Övriga fordringar

77

1 729

Förutbetalda kostnader och upplupna intäkter

14

2 102

2 334

273 149

244 520

Kassa och bank

15

50 487

7 771

Summa omsättningstillgångar

323 636

252 291

SUMMA TILLGÅNGAR

477 634

406 260

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Balansräkning

Tkr

Not

2024-12-31

2023-12-31

EGET KAPITAL OCH SKULDER

Eget kapital

Bundet eget kapital

Aktiekapital

1 100

1 100

Uppskrivningsfond

5 660

5 660

6 760

6 760

Fritt eget kapital

Fri överkursfond

621 910

621 910

Balanserad vinst eller förlust

-332 317

-395 150

Årets resultat

22 741

62 833

312 334

289 593

Summa eget kapital

319 094

296 353

Kortfristiga skulder

Leverantörsskulder

1 144

960

Skulder till koncernföretag

17

152 617

108 567

Aktuella skatteskulder

4 563

100

Upplupna kostnader och förutbetalda intäkter

16

216

280

Summa kortfristiga skulder

158 540

109 907

SUMMA EGET KAPITAL OCH SKULDER

477 634

406 260

↙

Rapport över förändringar i eget kapital

Tkr

	Aktie- kapital	Bundna reserver	Fritt eget kapital	Årets resultat	Summa eget kapital
Ingående eget kapital 2023-01-01	1 100	5 660	226 760	0	233 520
Årets resultat 2023-12-31			62 833	0	62 833
Summa totalresultat			62 833	0	62 833
Ingående eget kapital 2024-01-01	1 100	5 660	289 593	0	296 353
Årets resultat 2024-12-31				22 741	22 741
Summa totalresultat				22 741	22 741
Utgående eget kapital 2024-12-31	1 100	5 660	289 593	22 741	319 094

5

Noter

Tkr

Not 1 Redovisnings- och värderingsprinciper (belopp i tkr om inget annat anges)

Callenberg Group ABs årsredovisning har upprättats enligt årsredovisningslagen och Bokföringsnämndens allmänna råd BFNAR 2012:1 Års och koncernredovisning (K3). Redovisningsprinciperna är oförändrade i jämförelse med föregående år.

Utländska valutor

Monetära tillgångs- och skuldposter i utländsk valuta värderas till balansdagens kurs. Transaktioner i utländsk valuta omräknas enligt transaktionsdagens avistakurs. För att minska risken vid fluktuationer i valutakurser förvärvar bolaget valutaderivat anpassade till förväntade framtida valutaflöden. Dessa framtida avtalade kurser reflekteras inte i värderingen av tillgångar eller skulder. Säkringsinstrumenten omvärderas i balansräkningen, dvs säkringsredovisning tillämpas inte.

Intäkter

Varor

Försäljning av varor redovisas när väsentliga risker och fördelar övergår från säljare till köpare i enlighet med försäljningsvillkoren. Försäljningen redovisas efter avdrag för moms och rabatter.

Inkomstskatter

Aktuella skatter värderas utifrån de skattesatser och skatteregler som gäller på balansdagen. Fordringar och skulder netto redovisas endast när det finns en legal rätt till kvittning. Aktuell skatt, redovisas i resultaträkningen om inte skatten än hänförlig till en händelse eller transaktion som redovisas direkt i eget kapital. Skatteeffekter av poster som redovisas direkt mot eget kapital, redovisas mot eget kapital. På grund av sambandet mellan redovisning och beskattning särredovisas inte den uppskjutna skatteskulden som är hänförlig till obeskattade reserver.

Immateriella tillgångar

Immateriella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar och nedskrivningar. Avskrivningar görs linjärt över den bedömda nyttjandetiden. Tillgångarna skrivs av på 4-8 år.

Materiella anläggningstillgångar

Materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med avskrivningar. I anskaffningsvärdet ingår utgifter som direkt kan hänföras till förvärvet av tillgången. När en komponent i en anläggningstillgång byts ut, utranteras eventuell kvarvarande del av den gamla komponenten och den nya komponentens anskaffningsvärde aktiveras. Tillkommande utgifter som avser tillgångar som inte delas upp i komponenter läggs till anskaffningsvärdet om de beräknas ge företaget framtida ekonomiska fördelar, till den del tillgångens prestanda ökar i förhållande till tillgångens värde vid anskaffningstidpunkten. Utgifter för löpande reparation och underhåll redovisas som kostnader.

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Materiella anläggningstillgångar skrivs av systematiskt över tillgångens bedömda nyttjandeperiod. När tillgångarnas avskrivningsbara belopp fastställs, beaktas i förekommande fall tillgångens restvärde. Bolagets mark har obegränsad nyttjandeperiod och skrivs inte av. Linjär avskrivningsmetod används för övriga typer av materiella tillgångar.

Inga låneutgifter aktiveras.

Nedskrivningar av icke-finansiella tillgångar

När det finns en indikation på att en tillgångs värde minskat, görs en prövning av nedskrivningsbehov. Har tillgången ett återvinningsvärde som är lägre än det redovisade värdet, skrivs den ner till återvinningsvärdet. Vid bedömning av nedskrivningsbehov grupperas tillgångarna på de lägsta nivåer där det finns separata identifierbara kassaflöden (kassagenererande enheter). För tillgångar, andra än goodwill, som tidigare skrivits ner görs per varje balansdag en prövning av om återföring bör göras. I resultaträkningen redovisas nedskrivningar och återföringar av nedskrivningar i den funktion där tillgången nyttjas.

Leasingavtal

Samtliga leasingavtal där företaget är leasingtagare redovisas som operationell leasing (hyresavtal), oavsett om avtalen är finansiella eller operationella. Leasingavgiften redovisas som en kostnad linjärt över leasingperioden.

Uthyrning av kontorslokaler klassificeras som operationell leasing. Leasingintäkterna redovisas linjärt under leasingperioden.

Finansiella instrument

Finansiella instrument som redovisas i balansräkningen inkluderar värdepapper, kundfordringar och övriga fordringar samt leverantörsskulder. Instrumenten 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 överförs och koncernen 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.

Kundfordringar och övriga fordringar

Fordringar redovisas som omsättningstillgångar med undantag för poster med förfallodag mer än 12 månader efter balansdagen, vilka klassificeras som anläggningstillgångar. Fordringar tas upp till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

Andra långfristiga värdepappersinnehav

Posten består huvudsakligen av aktier. Innehaven innehas på lång sikt. Tillgångar ingående i posten och redovisas inledningsvis till anskaffningsvärde. I efterföljande redovisning redovisas aktierna till anskaffningsvärde med bedömning av om nedskrivningsbehov föreligger.

Leverantörsskulder

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.

Derivatinstrument

Valutaterminskontrakt används för att skydda koncernen mot förändringar i valutakurser genom att kontrakten fastställer den kurs till vilken en tillgång eller skuld i utländsk valuta kommer att realiseras. Dessa beskrivs under stycket Utländska valutor. Valutaterminskontrakten omvärderas till det lägsta av anskaffningsvärdet och verkligt värde löpande vid varje bokslutstillfälle. Värdeförändringen redovisas i resultaträkningen i posten Räntekostnader och liknande resultatposter.

Kvittning av finansiell fordran och finansiell skuld

En finansiell tillgång och en finansiell skuld kvittas och redovisas med ett nettobelopp i balansräkningen endast då legal kvittningsrätt föreligger samt då en reglering med ett nettobelopp avses ske eller då en samtida avyttring av tillgången och reglering av skulden avses ske.

Nedskrivningsprövning av finansiella anläggningstillgångar

Vid varje balansdag bedömer bolaget om det finns någon indikation på nedskrivningsbehov i någon utav de finansiella anläggningstillgångarna. Nedskrivning sker om värdenedgången bedöms vara bestående. Nedskrivning redovisas i resultaträkningsposten Resultat från övriga värdepapper och fordringar som är anläggningstillgångar. Nedskrivningsbehovet prövas individuellt för aktier och andelar och övriga enskilda finansiella anläggningstillgångar som är väsentliga. Exempel på indikationer på nedskrivningsbehov är negativa ekonomiska omständigheter eller ogynnsamma förändringar av branschvillkor i företag vars aktier bolaget investerat i.

Aktier och andelar i dotterföretag

Aktier och andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna. Eventuella kapitaltillskott och koncernbidrag läggs till anskaffningsvärdet när de uppkommer. Utdelning från dotterföretag redovisas som intäkt.

Obeskattade reserver

Obeskattade reserver redovisas med bruttobelopp i balansräkningen, inklusive den uppskjutna skatteskuld som är hänförlig till reserverna.

Bokslutsdispositioner

Förändringar av obeskattade reserver redovisas som bokslutsdispositioner i resultaträkningen. Koncernbidrag redovisas som bokslutsdispositioner.

Ersättningar till anställda

Kortfristiga ersättningar: Kortfristiga ersättningar i bolaget utgörs av lön, sociala avgifter, betald semester, betald sjukfrånvaro, sjukvård och bonus. Kortfristiga ersättningar redovisas som en kostnad och en skuld då det finns en legal eller informell förpliktelse att betala ut en ersättning.

Ersättningar efter avslutad anställning: I bolaget förekommer [såväl avgiftsbestämda som förmånsbestämda] pensionsplaner. I avgiftsbestämda planer betalar företaget fastställda avgifter till ett annat företag och har inte någon legal eller informell förpliktelse att betala något ytterligare även om det andra företaget inte kan uppfylla sitt åtagande. Bolagets resultat belastas för kostnader i takt med att de anställdas tjänster utförts.

Bolaget redovisar förmånsbestämda pensionsplaner i enlighet med K3s förenklingsregler. I bolaget förekommer bl. a. förmånsbestämda planer som innebär att pensionspremier betalas och dessa planer redovisas som avgiftsbestämda planer.

Övriga långfristiga ersättningar: I bolaget förekommer långfristiga ersättningar till anställda som varit anställda i koncernen en lång tid samt långfristiga ersättningar vid arbetsoförmåga. Övriga långfristiga ersättningar redovisas som en skuld bland övriga avsättningar och värderas till nuvärdet av förpliktelsen på balansdagen. De långfristiga ersättningarna avser främst anställdas rätt till jubileumsgåva efter 30 års tjänstgöring.

Ersättningar vid uppsägning: Ersättningar vid uppsägning utgår då bolaget beslutar att avsluta en anställning före den normala tidpunkten för anställningens upphörande eller då en anställd accepterar ett erbjudande om frivillig avgång i utbyte mot sådan ersättning. Om ersättningen inte ger företaget någon framtida ekonomisk fördel redovisas en skuld och en kostnad när företaget har en legal eller informell förpliktelse att lämna sådan ersättning. Ersättningen värderas till den bästa uppskattningen av den ersättning som skulle krävas för att reglera förpliktelsen på balansdagen.

Rapportering för verksamhetsgrenar och geografiska marknader

Föremålet för bolagets verksamhet är att bedriva konsultation, konstruktion, service, programmering av elektriska styrsystem, tillverkning och installation av elektriska anläggningar samt verkstadsproduktion inom el-tekniska området på land och marina enheter. Bolaget skall äga och förvalta fast och lös egendom genom hel- eller delägda bolag, samt bedriva därmed förenlig verksamhet.

Nyckeltalsdefinitioner

Soliditet

Eget kapital och obeskattade reserver (med avdrag för uppskjuten skatt) i förhållande till balansomslutningen.

Not 2 Uppskattningar och bedömningar

Callenberg Group AB gör uppskattningar och bedömningar om framtiden som påverkar de i bokslutet redovisade resultat- och balansposterna. Dessa bedömningar baseras på historiska erfarenheter och de olika antaganden som ledningen och styrelsen anser vara rimliga under rådande omständigheter. I de fall då det ej är möjligt att fastställa det redovisade värdet på tillgångar och skulder genom andra källor, ligger sådana uppskattningar och antaganden till grund för värderingen. Om andra antaganden görs eller andra omständigheter är för handen, kan faktiskt utfall skilja sig från dessa bedömningar.

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Prövning av nedskrivningsbehov för materiella anläggningstillgångar

Callenberg Group AB har betydande värden redovisade i balansräkningen avseende finansiella anläggningstillgångar i form av aktier i dotterföretag. Bokförda värden testas för nedskrivningsbehov i enlighet med de redovisningsprinciper som beskrivs i Not 1, Redovisningsprinciper. Återvinningsvärden för tillgångarna har fastställts genom beräkning av nyttjandevärden. För dessa beräkningar måste vissa uppskattningar göras avseende framtida kassaflöden och antaganden om avkastningskrav vid val av diskonteringsränta. Uppskattningarna som bolaget har använt baserar sig på fastställda prognoser om framtida volymer och marknadsmässiga avkastningskrav. Vid bedömning av dotterföretagens framtida kassaflöden har fastställda prognoser använts samt att vald diskonteringsränta korrelerar med marknadsmässigt avkastningskrav.

Not 3 Transaktioner med närstående

Uppgifter om moderföretaget

Moderföretag i den största koncern där Callenberg Group AB är dotterföretag och koncernredovisning upprättas är Trident Maritime Systems, LLC, USA

Transaktioner med närstående som genomförts på andra än marknadsmässiga villkor

Samtliga transaktioner med närstående genomförs i enlighet med koncernens internprissättningspolicy (Transfer pricing policy).

Inköp och försäljning mellan koncernföretag

Nedan anges andelen av årets inköp och försäljning avseende koncernföretag.

	2024	2023
Inköp tkr (%)	69	75
Försäljning tkr (%)	100	100

Inköp av varor och tjänster från närstående

Inköp av varor

Koncernföretag	0	0
Summa	0	0

Inköp av tjänster

Koncernföretag	17 995	24 103
Summa	17 995	24 103

Lån till koncernföretag

Lån till koncernföretag lämnas på affärsmässiga villkor. Ränteintäkter avseende lånen uppgick till 8.479 tkr.

Övrigt

I separata noter finns upplysningar om

- löner mm till styrelse och VD
- ställda säkerheter för koncernföretag
- ansvarsförbindelser för koncernföretag

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Not 4 Ersättning till revisorerna

	2024	2023
BDO Sweden AB	353	268
	353	268

Not 5 Resultat från andelar i koncernföretag

	2024	2023
Erhållna utdelningar	1 149	72 864
Nedskrivning värde aktier i dotterbolag		0
Resultat vid avyttringar	3 484	0
	4 632	72 864

Not 6 Räntekostnader och liknande resultatposter

	2024	2023
Räntekostnader från koncernföretag	-4 415	-6 495
Kursdifferenser	-5 251	-13 322
	-9 666	-19 817

Not 7 Derivatinstrument

Verkliga värden på derivatinstrument uppgick på balansdagen till följande:

	2024	2023
Valutaterminskontrakt - verkligt värde	0	-361
Valutaterminskontrakt - redovisat värde	0	-361
	0	-722

Valutaterminerna ingår i koncernens cashpool och fördelas ut på respektive dotterbolag som därmed bär vinster och förluster för sina terminer.



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Not 8 Övriga ränteintäkter och liknande resultatposter

	2024	2023
Ränteintäkter koncernföretag	10 108	9 297
Ränteintäkter	1 597	1 177
Kursdifferenser	22 038	1 995
	33 743	12 469

Not 9 Bokslutsdispositioner

	2024	2023
Mottagna koncernbidrag	0	2 000
Förändring av överavskrivningar	0	0
	0	2 000

Not 10 Koncessioner, patent, licenser, varumärken samt liknande rättigheter

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	31 160	31 160
Utgående ackumulerade anskaffningsvärden	31 160	31 160
Ingående avskrivningar	-31 160	-31 160
Utgående ackumulerade avskrivningar	-31 160	-31 160
Utgående redovisat värde	0	0

Not 11 Inventarier, verktyg och installationer

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	59	59
Utgående ackumulerade anskaffningsvärden	59	59
Ingående avskrivningar	-59	-59
Utgående ackumulerade avskrivningar	-59	-59
Utgående redovisat värde	0	0

✓

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Not 12 Andelar i koncernföretag

Bolagsnamn	Org nr	Säte
Callenberg Inc	59-2434183	Miami, USA
Callenberg A/S	10112451	Odense, Danmark
Trident BMC AB	556619-8015	Göteborg, Sweden
IES Callenberg Ltd	86113	Aberdeen UK
Callenberg B.V	63356171	Rotterdam, Nederländerna
Trident BMC AS	925756490	Oslo, Norge

	Kapitalan del %	Rösträttsand el %	Bokfört värde 24-12-31	Bokfört värde 23-12-31
Callenberg Inc	100	100	0	0
Callenberg A/S	100	100	0	0
Trident BMC AB	100	100	69 441	69 441
Intergrated Engineering Services Ltd	100	100	84 070	84 070
Callenberg B.V	100	100	458	458
Trident BMC AS	100	100	29	0
		600	153 998	153 969

Not 13 Fordringar hos koncernföretag

	2024-12-31	2023-12-31
Trident Callenberg Holdco Norway AS	250 616	219 858
Callenberg A/S	19 898	18 216
Trident Maritime Systems, LLC, Canada.	0	89
Callenberg Technology China Co Ltd	0	127
Trident BMC AS	379	167
Joiner Systems Inc.	77	0
	270 970	238 457

Not 14 Förutbetalda kostnader och upplupna intäkter

	2024-12-31	2023-12-31
IT-kostnader	6	113
Övriga poster	2 097	2 220
	2 102	2 334

ke

2025052306008

Not 15 Kassa och bank

	2024-12-31	2023-12-31
Likvida medel		
Banktillgodohavanden	50 371	5 468
Spärrade bankmedel	0	2 304
	50 371	7 771

Not 16 Upplupna kostnader och förutbetalda intäkter

	2024-12-31	2023-12-31
Övriga poster	216	280
	216	280

Not 17 Skulder koncernföretag

	2024-12-31	2023-12-31
US Joiner LLC	43 760	39 804
Callenberg B.V	19 471	23 400
Callenberg AS	0	24
Trident BMC AB	63 684	29 701
Trident Maritime Systems Inc.	486	430
IES Callenberg Ltd	25 187	15 208
	152 588	108 567

Not 18 Ställda säkerheter

	2024-12-31	2023-12-31
Företagsinteckning	25 000	25 000
Spärrade bankmedel	0	2 207
	25 000	27 207

←

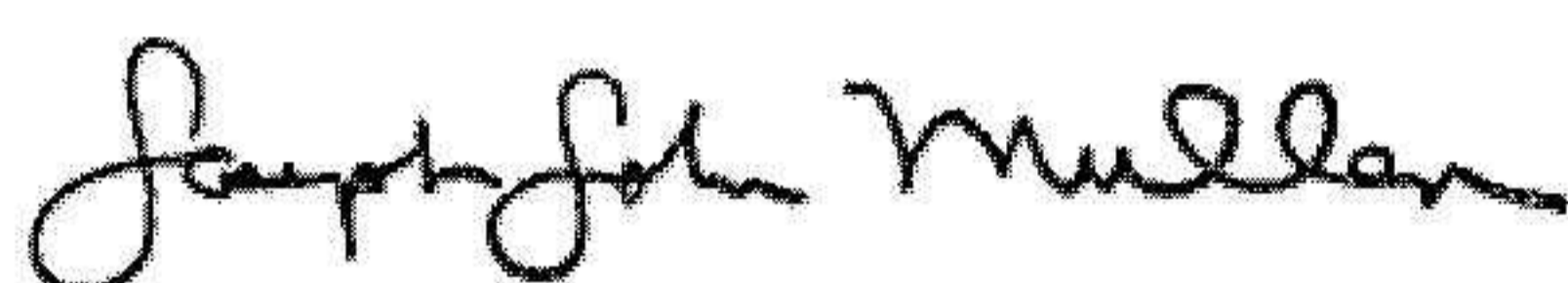
2025052306009

Not 19 Aktuell och uppskjuten skatt
Avstämning av effektiv skatt

		2024	
	Procent	Belopp	Procent
Redovisat resultat före skatt		27 480	
Skatt enligt gällande skattesats	20,60	-5 661	20,60
Ej avdragsgilla kostnader	20,60	-33	
Ej skattepliktiga intäkter	20,60	954	
Redovisad effektiv skatt	17,25	-4 740	0,00

Resultat- och balansräkningen kommer att föreläggas årsstämman.

Göteborg 2025-05-06



Joseph Mullen
Ordförande



Johan Sundmark



Ronnie Petersson

Vår revisionsberättelse har lämnats 16/5 2025

BDO Sweden AB



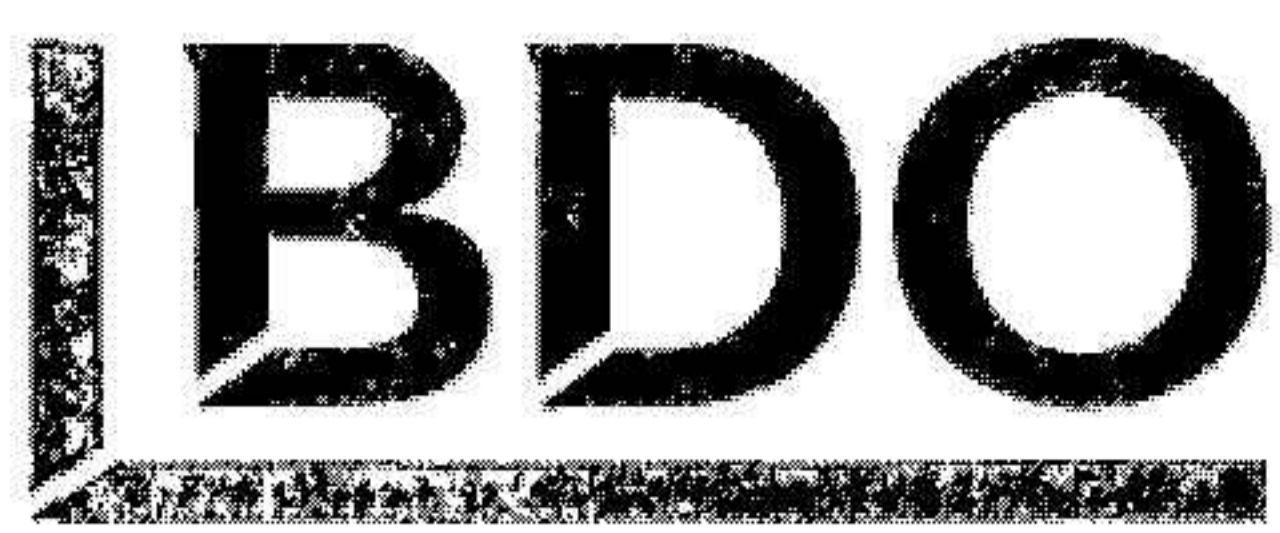
Katarina Eklund
Auktoriserad revisor

Vidimeras



Marina Sandberg

0734020135



Revisionsberättelse

Till bolagsstämman i Callenberg Group AB, org.nr 556676-2836

2025052306010

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Callenberg Group AB för år 2024.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Callenberg Group ABs finansiella ställning per den 31 december 2024 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 Callenberg Group AB 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 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.
- 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.

2025052306011

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 Callenberg Group AB för år 2024 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 revisions sed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Callenberg Group AB enligt god revisors sed 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 revisions sed 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.

2025052306012

Som en del av en revision enligt god revisionsred 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.

2025052306013

Göteborg den 16 maj 2025

BDO Sweden AB

Katarina Eklund

Auktoriserad revisor

Vidimeras:

Mr. Paul

Marina Sandberg

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2025080105553

TMS Group Holdings, LLC and Subsidiaries

Consolidated Financial Statements
Years Ended December 31, 2024 and 2023

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



TMS Group Holdings, LLC and Subsidiaries

Consolidated Financial Statements
Years Ended December 31, 2024 and 2023

TMS Group Holdings, LLC and Subsidiaries

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202508010555



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Pittsburgh, PA 15222

Independent Auditor's Report

Board of Directors
TMS Group Holdings, LLC and Subsidiaries
Arlington, VA

Opinion

We have audited the consolidated financial statements of TMS Group Holdings, LLC and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations and comprehensive loss, changes in member's 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 December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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 within one year after the date that the consolidated financial statements are available to be issued.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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.

BDO USA, P.C.

July 28, 2025

TMS Group Holdings, LLC and Subsidiaries

Consolidated Balance Sheets

December 31,	2024	2023
Assets		
Current Assets		
Cash	\$ 47,480,565	\$ 46,169,064
Receivables, net of allowance for credit loss	99,577,853	99,902,854
Inventories	50,481,883	47,905,767
Contract assets	164,978,532	215,897,125
Current income taxes refundable	3,575,952	9,737,608
Prepaid expenses	20,004,812	22,344,585
Total Current Assets	386,099,597	441,957,003
Property and Equipment	53,746,690	51,890,312
Operating Lease Right-of-Use Assets	64,524,642	44,965,721
Other Long-Term Assets	23,986,432	23,378,562
Deferred Income Tax Assets	1,522,145	16,877,800
Intangible Assets	30,335,791	36,529,347
Goodwill	48,723,953	58,122,280
Total Assets	\$ 608,939,250	\$ 673,721,025
Liabilities and Member's Deficit		
Current Liabilities		
Current portion of long-term debt	\$ 3,739,900	\$ 3,739,899
Revolving line of credit	-	37,500,000
Accounts payable	96,407,026	127,138,733
Accrued expenses	21,789,628	24,005,004
Current maturities of operating lease obligations	7,627,118	7,532,647
Current maturities of finance lease obligations	888,324	689,542
Contract liabilities	152,468,146	131,874,650
Total Current Liabilities	282,920,142	332,480,475
Noncurrent Deferred Tax Liabilities	9,102,612	8,137,213
Other Long-Term Liabilities	10,450,776	8,097,165
Operating Lease Obligations, net of current maturities	59,167,913	38,784,664
Finance Lease Obligations, net of current maturities	1,444,923	1,228,989
Long-Term Debt, Net	363,729,975	369,157,922
Total Liabilities	726,816,341	757,886,428
Member's Deficit		
Accumulated other comprehensive income	184,219	285,480
Member's deficit	(118,061,310)	(84,450,883)
Total Member's Deficit	(117,877,091)	(84,165,403)
Total Liabilities and Member's Deficit	\$ 608,939,250	\$ 673,721,025

See accompanying notes to consolidated financial statements.

TMS Group Holdings, LLC and Subsidiaries

Consolidated Statements of Operations and Comprehensive Loss

<i>Year ended December 31,</i>	2024	2023
Net Revenue	\$ 651,171,166	\$ 668,748,463
Cost of Revenues	542,241,991	556,589,382
Amortization of Intangible Assets	4,982,793	5,580,659
Gross Profit	103,946,382	106,578,422
Selling, General, and Administrative Expenses	91,767,238	98,618,292
Amortization of Goodwill	10,685,940	10,495,071
Operating Income (Loss)	1,493,204	(2,534,941)
Other Income (Expense)		
Interest income	21,252	560,990
Interest expense	(50,188,672)	(44,772,047)
Miscellaneous income	25,562,229	1,181,705
Total Other Expense, Net	(24,605,191)	(43,029,352)
Loss, before income tax expense	(23,111,987)	(45,564,293)
Provision (Benefit) for Income Taxes	25,293,985	(2,056,361)
Net Loss	(48,405,972)	(43,507,932)
Other Comprehensive Loss, net of tax		
Foreign currency translation loss	(101,261)	(536,131)
Comprehensive Loss	\$ (48,507,233)	\$ (44,044,063)

See accompanying notes to consolidated financial statements.

TMS Group Holdings, LLC and Subsidiaries
Consolidated Statements of Changes in Member's Deficit

	Accumulated Other Comprehensive Income	Member's Deficit	Total
Balance, December 31, 2022	\$ 821,611	\$ (109,955,992)	\$ (109,134,381)
Net loss	-	(43,507,932)	(43,507,932)
Member's contributions	-	68,198,381	68,198,381
Foreign currency translation loss arising during the year	(536,131)	-	(536,131)
Change in accounting principle	-	40,677	40,677
Unit-based compensation	-	773,983	773,983
Balance, December 31, 2023	285,480	(84,450,883)	(84,165,403)
Net loss	-	(48,405,972)	(48,405,972)
Distributions paid	-	(210,000)	(210,000)
Member's contributions	-	15,000,000	15,000,000
Foreign currency translation loss arising during the year	(101,261)	-	(101,261)
Unit-based compensation	-	5,545	5,545
Balance, December 31, 2024	\$ 184,219	\$ (118,061,310)	\$ (117,877,091)

See accompanying notes to consolidated financial statements.

TMS Group Holdings, LLC and Subsidiaries

Consolidated Statements of Cash Flows

Year ended December 31,	2024	2023
Cash Flows from Operating Activities		
Net loss	\$ (48,405,972)	\$ (43,507,932)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	23,111,556	22,937,800
Amortization of debt issuance cost	2,535,980	1,984,680
Interest expense paid-in-kind	1,850,776	-
Gain on disposition of business	(18,386,019)	-
Loss (gain) on disposal of property and equipment	(8,439,150)	406,682
Unit-based compensation	5,545	773,983
Deferred income taxes	16,673,177	3,015,190
Amortization of right-of-use assets	7,937,421	5,197,676
Changes in operating assets and liabilities, net of acquisitions:		
Receivables - net	(5,725,417)	51,518,353
Inventories - net	(9,180,873)	(1,824,598)
Contract assets	44,860,706	(562,400)
Prepaid expenses	(2,117,155)	(8,046,054)
Other assets	1,798,009	(3,128,571)
Accounts payable	(28,773,302)	(28,994,711)
Accrued expenses	2,388	(6,706,084)
Operating lease obligations	(7,015,492)	(4,397,144)
Contract liabilities	22,474,197	(9,861,361)
Income tax receivable/payable	6,118,671	(8,136,947)
Net Cash Used in Operating Activities	(674,954)	(29,331,438)
Cash Flows from Investing Activities		
Purchase of property and equipment	(20,638,053)	(7,990,369)
Proceeds from sale of property and equipment	25,022,140	165,193
Proceeds from disposition of business	29,307,977	-
Acquisition of business	-	(38,870,859)
Net Cash Provided by (Used in) Investing Activities	33,692,064	(46,696,035)
Cash Flows from Financing Activities		
Proceeds from issuance of long-term debt	-	15,000,000
Payments on long-term debt	(7,739,900)	(3,590,795)
Debt issuance cost	(2,074,802)	(1,346,657)
Proceeds from revolving credit facility	-	22,500,000
Payments on revolving credit facility	(37,500,000)	-
Member's distributions	(210,000)	-
Contingent consideration	-	(325,000)
Member's contributions	15,000,000	68,198,381
Loan to members	-	(7,000,000)
Payments on finance lease obligations	(665,563)	(521,512)
Net Cash Provided by (Used in) Financing Activities	(33,190,265)	92,914,417
Effects of Exchange Rate Changes on Cash	1,484,656	(2,243,506)
Net Increase in Cash	1,311,501	14,643,438
Cash, beginning of year	46,169,064	31,525,626
Cash, end of year	\$ 47,480,565	\$ 46,169,064

2025080105561

TMS Group Holdings, LLC and Subsidiaries
Consolidated Statements of Cash Flows

2025080105562

<i>Year ended December 31,</i>	2024	2023
Supplemental Disclosures of Cash Flow Information		
Cash paid during the year for interest	\$ 45,187,805	\$ 38,808,574
Cash paid during the year for income taxes	1,616,452	3,695,310
Supplemental Disclosures of Non-Cash Investing and Financing Activities		
Cash paid for amounts included in the measurement of finance lease liabilities:		
Operating cash flows from finance leases	\$ 159,366	\$ 135,502
Right-of-use assets obtained in exchange for new finance lease liabilities	1,175,081	308,702
Cash paid for amounts included in the measurement of operating lease liabilities:		
Operating cash flows from operating leases	10,768,568	9,889,335
Right-of-use assets obtained in exchange for new operating lease liabilities	29,416,190	8,789,067

See accompanying notes to consolidated financial statements.

TMS Group Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

1. Description of Business

Trident Maritime Systems Holdings, LLC (Trident) was formed in Delaware on October 10, 2014, and is wholly owned by TMS Group Holdings, LLC (the Direct Parent). Trident provides an array of services including interior marine vessel design, testing and installation services for both Navy and commercial applications, manufacture of metal furniture including a forging operation, electrical, and automation shipboard systems and repair services, and the supply of HVAC, fire suppression, steering, and cargo handling systems. Trident provides marine (including Department of Defense) energy, industrial and commercial contract manufacturing, naval visual landing systems, wind and speed sensor systems, expeditionary airfield lighting, aircraft and ground vehicle lights, and night vision test equipment. The following companies listed in the table below are all wholly owned subsidiaries, collectively “the Company”:

Company	Immediate Parent	State or Country
Trident Maritime Systems Holdings, LLC	TMS Group Holdings, LLC	Delaware
Lake Shore Systems Holdings, LLC	TMS Group Holdings, LLC	Delaware
Trident Maritime Systems, LLC	Trident Maritime Systems Holdings, LLC	Delaware
Trident Maritime Systems, Inc.	Trident Maritime Systems, LLC	Delaware
US Joiner Holding Co.	Trident Maritime Systems, LLC	Delaware
US Joiner LLC	US Joiner Holding Co.	Virginia
Turnbull LLC	US Joiner Holding Co.	Virginia
Joiner Holding International S.a.r.l.	US Joiner Holding Co.	Luxembourg
Trident Maritime Systems S.r.l.	Joiner Holding International S.a.r.l.	Italy
FM S.r.l.	Trident Maritime Systems S.r.l.	Italy
IMECO Holding Co.	Trident Maritime Systems, LLC	Delaware
IMECO Inc.	IMECO Holding Co.	Michigan
RAACI Holding Co.	Trident Maritime Systems, LLC	Delaware
Robichaux Automation and Control, Inc.	RAACI Holding Co.	Louisiana
Trident Naval Systems of Canada, Inc.	US Joiner Holding Co.	British Columbia
Trident BMC Holding Company	Trident Maritime Systems, LLC	Delaware
Trident BMC LLC	Baltec Holding Co.	Delaware/Florida
Baltec Holdings International S.a.r.l.	Baltec Holding Co.	Luxembourg
Trident BMC Sp. Z.o.o.	Baltec Holding Co.	Poland
Trident-Callenberg Holdco UK Limited	Trident Maritime Systems, LLC	United Kingdom
Trident-Callenberg Holdco Norway AS	Trident-Callenberg Holdco UK Limited	Norway
Callenberg Group AB	Trident-Callenberg Holdco Norway AS	Sweden
Trident BMC AS	Callenberg Group AB	Norway
Callenberg BV	Callenberg Group AB	Netherlands
Callenberg Inc	Callenberg Group AB	USA
Trident BMC AB	Callenberg Group AB	Sweden
Branch Office Italy	Trident BMC AB	Italy
Callenberg A/S	Callenberg Group AB	Denmark
IES Callenberg LTD	Callenberg Group AB	United Kingdom
Trident Maritime Systems Australia Pty LTD	Trident Maritime Systems, LLC	Australia
Trident-Callenberg Holdco US Inc.	Trident Maritime Systems, LLC	Delaware
Baltec Marine Shanghai Co., LTD.	Baltec Marine LLC	China
Trident AS	Callenberg AS	Norway
Lake Shore Systems, Inc.	Lake Shore Systems Holdings, LLC	Wisconsin
AGI Holdings LLC	TMS Group Holdings, LLC	United Kingdom
AGI UK Acquisition Ltd.	AGI Holdings LLC	United Kingdom
Aeronautical & GI Holdings Limited	AGI UK Acquisition Ltd.	United Kingdom
Aeronautical & General Instruments Limited	Aeronautical & GI Holdings Limited	United Kingdom
Aircraft Appliances and Equipment Limited	AGI UK Acquisition Ltd.	Ontario
Aish Technologies Limited	AGI UK Acquisition Ltd.	United Kingdom
Trident Maritime Systems - CAC, LLC	Lake Shore Systems Holdings, LLC	Delaware
Trident Maritime Systems - Custom Alloy, LLC	Trident Maritime Systems - CAC, LLC	Delaware

TMS Group Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

The percentages of revenues for the operating lines of business were as follows:

<i>Year ended December 31,</i>	2024 (%)	2023 (%)
Electromechanical and distributed systems	29	31
Marine outfitting and insulation	27	32
Marine energy, industrial, and commercial manufacturing	25	19
Cruise repair and maintenance	11	13
Power, propulsion, and control	8	5
	100	100

The Company operates in several states including California, Connecticut, Florida, Louisiana, Maine, Maryland, Michigan, Texas, Virginia, Washington, and Wisconsin, and in various foreign countries. The Company's foreign operations accounted for approximately 31% and 29% of the Company's revenue in 2024 and 2023, respectively. Total assets of these foreign operations accounted for approximately 33% and 39% of the Company's total assets at December 31, 2024 and 2023, respectively.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include TMS Group Holdings, LLC and the accounts of its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results may differ materially from those estimates.

Revenue and Cost Recognition

The majority of the Company's revenue is derived from long-term contracts that can span several years. A performance obligation is a promise in a contract to transfer a distinct good or service to a customer and is the unit of account in Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The majority of the Company's contracts have a single performance obligation using the best estimate of stand-alone selling price of each distinct good or service in the contract. The primary method used to estimate stand-alone selling price is expected cost plus a margin approach, under which the Company forecasts the expected costs of satisfying a performance obligation and then adds an appropriate margin for that distinct good or service. Substantially all of the Company's revenue is recognized over time using the cost-to-cost input method because management considers this to be the best available measure of transfer of control. Contract costs include labor and material. Selling, general, and administrative costs and overhead costs are charged to expense as incurred and, therefore, are not included in the calculation of the estimated costs to complete. Point in time

TMS Group Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

sales are initiated by purchase orders from customers and generally contain one performance obligation. Revenue is recognized when title is transferred and the customer is obligated to pay, which generally occurs upon shipment, in accordance with the applicable shipping terms. Payment terms for over time and point in time sales generally range from 30 to 60 days. Certain economic factors such as the type of customer (government vs. commercial) and type of contract (fixed price, cost plus, or time and materials) impact the nature, amount, timing, and uncertainty of revenue and related cash flows.

The disaggregation of the Company's revenue based on the timing of recognition is as follows:

<i>December 31,</i>	2024	2023
Revenue Recognition Method		
Over time	\$ 582,588,487	\$ 608,199,850
Point in time	68,582,679	60,548,613
Total Revenue	\$ 651,171,166	\$ 668,748,463

Contract Estimates

Accounting for long-term contracts involves the use of various techniques to estimate total contract revenue and cost. For long-term contracts, the Company estimates the profit on a contract as the difference between the total estimated revenue and expected costs to complete a contract and recognizes that profit over the life of the contract.

Contract estimates are based on various assumptions to project the outcome of future events that often span several years. These assumptions include labor productivity and availability; the complexity of the work to be performed; the cost and availability of materials, the performance of subcontractors; and the availability and timing of funding from the customer.

Variable Consideration

The nature of the Company's contracts gives rise to variable consideration, which can include change orders or contract modifications, retention, liquidated damages, and claims. The Company adjusts its contract estimates for these variable considerations when the Company believes there is an enforceable right to the variable consideration, the amount can be estimated reliably, and its realization is probable. In evaluating these criteria, the Company considers the contractual/legal basis, the cause of any additional costs incurred, the reasonableness of those costs, and the objective evidence available to support the variable consideration. These estimates are based on historical award experience, anticipated performance, and the Company's best judgment at the time.

As a significant change in one or more of these estimates could affect the profitability of the contracts, the Company reviews and updates contract-related estimates regularly. The Company recognizes adjustments in estimated profit on contracts under the cumulative catch-up method. Under this method, the impact of the adjustment on profit recorded to date is recognized in the period the adjustment is identified. Revenue and profit in future periods of contract performance is recognized using the adjusted estimate. If at any time the estimate of contract profitability indicates an anticipated loss on the contract, the Company recognizes the total loss in the period it is identified and is included in contract liabilities on the Company's consolidated balance sheets.

TMS Group Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Contract Balances

Contract assets primarily consist of revenue recognized in excess of amounts paid or payable (contract receivables to the Company on uncompleted contracts). Contract assets are reported at net realizable value. Contract liabilities generally consist of payments received or receivable (contract receivables) in excess of revenue recognized on uncompleted contracts, customer advances and deposits, and general provisions for losses, if any. The timing of revenue recognition, billings, and cash collections result in billed accounts receivable, underbillings, and overbillings. Contract amounts become billable according to contract terms, which consider the progress on the contracts as well as achievement of certain milestones and completion of specific units of work. As of January 1, 2023, contract assets were \$207,281,595 and contract liabilities were \$127,812,820.

Cash

The Company maintains cash at financial institutions which may at times exceed federally insured amounts. The Company has not experienced any losses due to cash balances exceeding these limits and does not believe it is exposed to any significant credit risk as a result.

Receivables

The Company regularly extends credit to customers for purchases made in the normal course of business based upon management's assessment of their creditworthiness. All trade accounts receivable are reported at net realizable value on the accompanying consolidated balance sheets, adjusted for any write-offs and net of allowances for credit losses. The net accounts receivable balance at January 1, 2023 was \$142,703,439. Beginning January 1, 2024, management assesses and records an allowance for credit losses on financial assets within the scope of Accounting Standards Update (ASU) 2016-13 using the current expected credit losses (CECL) model. The valuation allowance in prior periods was provided for those accounts for which collection is doubtful principally based on delinquency and how recently and how frequently payments have been received and the financial position of the customer.

The Company selected a loss-rate method to apply the CECL model, based on the relationship between historical write-offs of receivables and the underlying sales by major customer. Utilizing this model, a historical loss-rate is applied against the amortized cost of applicable assets at the time the asset is established. The loss rate reflects the Company's current estimate of the risk of loss (even when that risk is remote) over the expected remaining contractual life of the assets. In circumstances where the Company becomes aware of a specific customer's inability to meet its financial obligations, a specific reserve is recorded against amounts due to reflect the amount reasonably expected to be collected. The Company's policy is to deduct write-offs from the allowance for credit losses account in the period in which the financial assets are deemed uncollectible.

Debt Issuance Costs

Deferred issuance costs are capitalized and amortized over the terms of the respective debt agreements using the straight-line method, which approximates the effective interest method. Trident and Lake Shore Systems, Inc. (Lake Shore and together with Trident, each a Borrower and collectively the Borrowers) entered into a Credit Agreement with certain lenders that participated in the old Credit Agreement, and their balances in the Credit Agreement were deemed modified. Total debt issuance costs of \$14,597,453 will be amortized over the respective term of the credit

TMS Group Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

agreement. In 2024 and 2023, the Company amended its Credit Agreement and subsequently capitalized \$2,074,801 and \$1,346,657, respectively. Amortization costs in 2024 and 2023 totaled \$2,535,980 and \$1,984,680, respectively, which is included in interest expense on the Company's consolidated statements of operations and comprehensive loss.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined on a first-in, first-out (FIFO) basis and includes material, labor, and overhead. The Company manufactures customer-specific products under purchase orders. Further, the Company generally ships upon completion of an order and does not maintain finished goods. As a result of the short production cycle, most of the inventory value is concentrated in raw materials and work in process. The allowance for obsolete and slow-moving inventory and lower of cost or net realizable value considerations was \$3,167,207 and \$2,989,796 at December 31, 2024 and 2023, respectively.

Fulfillment Costs

The Company capitalizes costs incurred to fulfill its contracts that i) related directly to the contract or anticipated contracts, ii) are expected to generate or enhance the Company's resources that will be used to satisfy the performance obligation under the contract, and iii) are expected to be recovered through revenue generated from the contract. Capitalized fulfillment costs are amortized to cost of revenues as the Company satisfies the related performance obligations under the contract with approximate lives ranging from two to ten years. These costs, which are included in prepaid expenses and other long-term assets on the consolidated balance sheets, generally represent upfront costs incurred to design and produce electromechanical and distributed system solutions. The Company has elected a practical expedient under ASC 340 to allow the recognition of the incremental costs of obtaining a contract as an expense when occurred. These incremental costs of obtaining a contract include bid, proposal, and selling and marketing costs as well as legal costs incurred in the pursuit of a contract.

The Company assesses the capitalized fulfillment costs for impairment at the end of each reporting period. The Company will recognize an impairment loss to the extent the carrying amount of the capitalized costs exceeds the recoverable amount. Recoverability is assessed by considering the capitalized fulfillment costs in relation to the forecasted profitability of the related performance obligation.

As of December 31, 2024, capitalized costs to fulfill contracts were \$7,315,970 and there were \$7,869,246 of capitalized costs to fulfill as of December 31, 2023. Amortization of fulfillment costs was \$1,119,485 and \$702,888 in the years ended December 31, 2024 and 2023, respectively. There was no impairment of fulfillment costs in the year ended December 31, 2024 and 2023.

TMS Group Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Property and Equipment

Property and equipment are stated at cost. Routine repairs and maintenance are charged against income as incurred, while those expenditures that significantly improve or extend the useful lives of existing assets are capitalized. Depreciation and amortization are provided using the straight-line method with a salvage value, if applicable, based on the estimated useful lives of the related assets, which range from three to thirty-nine years as follows:

	Years
Building and improvements	39
Machinery and equipment	7
Tooling	7
Furniture and fixtures	7
Computer software	5
Computer equipment	3-5
Vehicles	3-5

When items of property or equipment are sold or retired, the related cost and accumulated depreciation or amortization is removed from the account and any gain or loss is included in results from operations.

Management reviews property, plant, and equipment for impairment-based indicators which may indicate that the carrying amount of these assets may not be recoverable. The Company determined there were indicators present to require a review for impairment as of December 31, 2024. The Company has experienced operating losses and operating cash flow losses for the last few years due to challenges in the industry mainly driven by continued supply chain and skilled labor constraints. To test the recoverability of the asset group, the Company used entity-specific undiscounted cash flows. The cash flows utilized in the analysis are based on the Company's internal forecasts, which considered the current and expected future economic and market condition of the asset group. There was no impairment for any asset groups as of December 31, 2024. There were no indicators present to require a review for impairment as of December 31, 2023.

Leases

The Company determines if a contract is a lease or contains a lease at the inception of the arrangement. Leases are classified as either finance leases or operating leases. Right-of-use (ROU) assets and lease liabilities are recognized on the consolidated balance sheets at the lease commencement date based on the present value of the lease payments over the term of the lease. ROU assets also include any initial direct costs incurred, lease payments made, and exclude any lease incentive payments. The Company calculates the present value using the interest rate implicit in the lease arrangement or, if not known, uses the incremental borrowing rate for building leases and the risk-free rate for all other leases. Lease terms may include options to extend or terminate the lease when it is reasonably certain that such options will be exercised. Operating and financing leases that are for a period less than 12 months, inclusive of options to extend that are reasonably certain to be exercised, are classified as short term and are not recognized on the consolidated balance sheets. Lease expense for these short-term leases is recognized on a straight-line basis over the lease term.

TMS Group Holdings, LLC and Subsidiaries

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Operating lease ROU assets are recorded as a noncurrent asset on the consolidated balance sheets. The corresponding liabilities are recorded as current maturities of operating lease obligations and operating lease obligations, net of current maturities, as applicable, on the consolidated balance sheets. ROU assets under finance leases are included in property and equipment, and the corresponding liabilities are recorded as current maturities of finance lease obligations and finance lease obligations, net of current maturities, as applicable. Operating lease costs are recognized on a straight-line basis over the lease term within either costs of revenue or operating expenses based on the use of the related ROU asset. Assets under finance leases are amortized on a straight-line basis over the shorter of the estimated useful life of the assets or the lease term and included in depreciation and amortization expense. Interest on finance lease liabilities is recognized as interest expense. Variable lease payments that do not depend on an index or a rate are excluded from the measurement of the lease liability and are expensed as incurred. Variable lease payments may include separate payments for property taxes, insurance, and maintenance services. These payments can vary depending on the terms in the lease agreement, but are typically based on a percentage of the square footage rented by the rentable area of the building.

Intangible Assets

Intangible assets consist of contract backlog, customer relationships, trade name, noncompete agreements, engineering libraries, and developed technology as a result of acquisitions made in prior years. These intangible assets were recorded at fair value at the date of acquisition and are stated net of accumulated amortization as of December 31, 2024 and 2023. There were no impairment charges in the years ended December 31, 2024 and 2023.

The Company applies the provisions of ASC Topic 350, *Intangibles, Goodwill, and Other*, which requires the amortization of long-lived intangible assets to reflect the pattern in which the economic benefits of the intangible assets are expected to be realized. The intangible assets are amortized over their remaining estimated useful lives which range from one to 17 years (Note 8).

Goodwill

Goodwill represents the excess of the cost of acquired businesses over the fair value of their identifiable net assets. The Company elected to amortize goodwill in accordance with ASU 2014-2, *Accounting for Goodwill*, and tests for impairment in accordance with ASC Topic 350, *Intangibles, Goodwill, and Other*. Impairment is the condition that exists when the carrying amount of goodwill exceeds its implied fair value. The Company tests goodwill for impairment at the reporting unit level whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. During the year ended December 31, 2024, the Company's qualitative assessment concluded that a triggering event had occurred as a result of operating losses and operating cash flow losses during the last few years. As a result, the Company assessed whether it was more likely than not that the fair value of the reporting unit is less than its carrying amount. Determining fair value requires the exercise of significant judgements, including judgements about appropriate discount rates, long-term growth rates, and the amount and timing of expected future cash flows. The cash flows utilized in the analysis are based on the Company's internal forecasts, which considered the current and expected future economic and market condition of the reporting unit. The Company compared the fair value of each reporting unit to its carrying amount, which resulted in the fair value of all reporting units being in excess of their carrying values. No impairment charges were recognized during the year ended December 31, 2024. There were no triggering events or impairment charges during the year ended December 31, 2023.

TMS Group Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

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Fair Value Measurements

The Company follows generally accepted accounting principles for fair value measurements relating to financial and non-financial assets and liabilities in the consolidated financial statements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly fashion between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset and liability.

The three levels of inputs that may be used are as follows:

Level 1 - This level consists of quoted prices in active markets for identical assets or liabilities.

Level 2 - This level consists of inputs, other than the quoted prices in active markets, that are observable either directly or indirectly.

Level 3 - This level consists of unobservable inputs that reflect the reporting entity's own assumptions.

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 are required to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Company does not have any financial assets or liabilities that are measured at a fair value level on December 31, 2024 or 2023. The carrying amount of financial instruments such as accounts receivables, accounts payable, and accrued liabilities approximates fair value due to their short maturity. The carrying value of debt approximates fair value due to market-determined variable interest rates.

Unit-Based Compensation

The Company recognizes unit-based compensation expense in accordance with ASC 718, *Compensation - Stock Compensation*, for all unit-based payments for those shares expected to vest. Unit-based compensation expense is recognized for all unit-based payments over the estimated term of the vesting or service period.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to both differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, as well as operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date of the change. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

TMS Group Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

The Company applies provisions related to the accounting for uncertain income tax positions included in ASC Subtopic 740-10, *Income Taxes - Overall*. These provisions require the Company to recognize the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% of likely being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest and penalties, if any, related to unrecognized tax benefits, as a component of income tax (benefit) expense, in the consolidated statements of operations and comprehensive loss.

Warranty

The Company warrants its products against defect for a period of 12 months. Estimates of future costs to satisfy warranty obligations are primarily based on historical trends and, if these costs are significantly different from historical trends, estimates of future failure rates and future costs of repair including materials consumed in the repair, labor, and overhead amounts necessary to perform the repair will be provided for and expensed accordingly. The Company has not experienced significant warranty claims for the years ended December 31, 2024 and 2023. The Company has recorded an expense for warranty claims in the amount of \$563,735 and \$836,187 at December 31, 2024 and 2023, respectively.

Shipping and Handling Costs

Shipping and handling costs incurred by the Company are expensed as incurred. These costs are included in cost of revenues on the accompanying consolidated statements of operations and comprehensive loss.

Foreign Currency Translation

The financial statements of most foreign subsidiaries are measured using the foreign currency as the functional currency. Assets and liabilities denominated in foreign currency have been translated into U.S. dollars using the exchange rates in effect at the consolidated balance sheet date. Equity accounts are translated at historical rates, except for the change in retained earnings during the year, which is the result of the income statement translation process. Revenue and expense accounts are translated using the average exchange rate during the period. The cumulative translation adjustments associated with the net assets of foreign subsidiaries are recorded in accumulated other comprehensive loss in the accompanying consolidated statements of operations and comprehensive loss. There has been fluctuation of exchange rates that have occurred after the balance sheet date; however, at this time, it is not practical to determine the effects of these changes.

Change in Accounting Principle

In 2024, the Company changed its accounting method for the discount rate for operating leases for buildings (which includes office space and warehousing). At the adoption of ASC 842, *Leases*, and as allowed under ASU 2021-09, the Company elected to use the risk-free rate for all operating leases. The Company determined for building leases that it was more appropriate to use the incremental borrowing rate, a collateralized rate, more reflective of its current economic environment for borrowing. The change in accounting principle was retrospectively applied to the Company's prior-period financial statements resulting in a \$9,238,542 decrease in operating lease ROU assets,

TMS Group Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

a \$9,279,219 decrease in operating lease obligations, which resulted in an increase of \$40,677 reflected in member's deficit. Refer to Note 14 for further disclosure.

New Pronouncements

In November 2024, the Financial Accounting Standards Board (FASB) issued ASU 2024-03, *Income Statement - Disaggregation of Income Statement Expenses*. The guidance requires tabular disclosure of certain expenses included in costs of products sold and selling and administrative expenses, such as purchases of inventory and employee compensation, and qualitative description of certain other costs. The guidance becomes effective for the Company's annual period beginning January 1, 2027. The Company is currently evaluating the impact this new standard will have on its annual disclosures in its consolidated financial statements for the year ending December 31, 2027. It will not, however, impact the Company's consolidated financial position, results of operations, or cash flows.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes - Improvements to Income Tax Disclosures*. The guidance requires annual disclosure of specific categories of information within the effective tax rate reconciliation, and income taxes paid and income tax expense disaggregated by jurisdiction. The guidance becomes effective for the Company's annual period beginning January 1, 2025. The Company is currently evaluating the impact this new standard will have on its consolidated financial statements disclosures. It will not, however, impact the Company's consolidated financial position, results of operations, or cash flows.

3. Acquisitions and Dispositions

Custom Alloy Corporation (CAC)

On June 16, 2023, the Company acquired assets of Custom Alloy Corporation (CAC) for \$38,870,859 in cash consideration. CAC is a leading, vertically integrated provider of highly specialized alloyed forgings, fittings, and pipe to defense and industrial end users. Trident was the prevailing bidder in a Section 363 bankruptcy auction for the acquired assets and assumed certain contracts, leases, and other liabilities.

The primary reason for the acquisition was to further expand upon Trident's presence on key U.S. Navy nuclear vessel programs, a critical element of the Company's growth strategy. CAC's offerings allow Trident to more holistically partner with shipbuilding customers to efficiently deliver the solutions required by them and the U.S. Navy.

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Notes to Consolidated Financial Statements

The acquisition was an asset purchase and, therefore, the goodwill is 100% tax deductible. The following table summarizes the allocation of the purchase consideration, and the estimated fair value of the assets acquired and liabilities assumed in the acquisition of CAC by Trident:

	2023	Measurement Period Adjustments	2024
Accounts receivable	\$ 7,103,004	\$ (1,089,256)	\$ 6,013,748
Inventory	14,102,021	227,000	14,329,021
Contract assets	5,792,471	(669,098)	5,123,373
Prepaid expenses	877,442	-	877,442
Property and equipment	12,300,050	-	12,300,050
Operating lease ROU assets	8,229,037	-	8,229,037
Other long-term assets	8,097,165	-	8,097,165
Goodwill	16,725,691	1,287,613	18,013,304
Total Assets Acquired	73,226,881	(243,741)	72,983,140
Accounts payable and accrued expenses	4,722,951	-	4,722,951
Operating lease obligations	8,414,378	-	8,414,378
Contract liabilities	13,121,528	(243,741)	12,877,787
Other long-term liabilities	8,097,165	-	8,097,165
Total Liabilities Assumed	34,356,022	(243,741)	34,112,281
Net Assets Acquired	\$ 38,870,859	\$ -	\$ 38,870,859

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Notes to Consolidated Financial Statements

Dispositions During 2024 and 2023

On October 22, 2024, the Company completed the sale of AGI Holdings LLC, which owns 100% of the issued and outstanding shares of AGI US Acquisitions Inc., which, in turn, owns 100% of Hoffman Engineering, LLC. As a result of the sale, the Company recognized a pre-tax gain of \$18,386,019 included in other income in the consolidated statements of operations and comprehensive loss. The following table summarizes the assets and liabilities disposed of during the sale:

Gross Proceeds	\$ 29,771,585
Cash	\$ 463,608
Receivables, net of allowance for credit loss	2,970,745
Inventories	6,176,819
Contract assets	3,446,645
Prepaid expenses	545,603
Property and equipment	143,788
Operating lease ROU assets	942,703
Other long-term assets	310,070
Deferred income tax assets	216,300
Goodwill	2,158,953
Total Assets Disposed	17,375,234
Accounts payable and accrued expenses	3,355,537
Operating lease obligations	942,716
Member's interest	3,913,473
Total Liabilities and Equity Disposed	8,211,726
Net Assets Disposed	\$ 9,163,508
Transaction Costs	\$ 2,222,058
Pre-Tax Gain on Disposal	\$ 18,386,019

On September 1, 2023, the Company completed the sale of specified operating assets and liabilities at US Joiner LLC's Lemon Grove, California facility. As a result of the sale, the Company entered into an agreement to sublease the facility to the buyer.

4. Receivables

Receivables are as follows:

<i>December 31,</i>	2024	2023
Trade	\$ 97,479,553	\$ 97,693,615
Other	2,405,236	2,653,038
Allowance for credit loss	(306,936)	(443,799)
	\$ 99,577,853	\$ 99,902,854

TMS Group Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

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5. Inventories

Inventories are comprised of the following:

<i>December 31,</i>	2024	2023
Raw materials and aftermarket parts, net	\$ 28,942,719	\$ 25,818,525
Work-in-process, net	19,028,538	15,621,635
Finished goods, net	2,510,626	6,465,607
	\$ 50,481,883	\$ 47,905,767

6. Contract Accounting Matters

Costs, estimated earnings, and billings on uncompleted contracts are as follows:

<i>December 31,</i>	2024	2023
Costs incurred on uncompleted contracts	\$ 2,239,490,237	\$ 2,401,550,995
Estimated earnings	814,241,979	835,200,116
	3,053,732,216	3,236,751,111
Less: billings to date	(3,041,221,830)	(3,152,728,636)
	\$ 12,510,386	\$ 84,022,475

The amounts above are included in contract assets and contract liabilities as follows:

<i>December 31,</i>	2024	2023
Contract assets:		
Revenue recognized in excess of amounts paid or payable (contract receivables to the Company on uncompleted contracts)	\$ 164,978,532	\$ 215,897,125
Contract liabilities:		
Payments received or receivables (contract receivables) in excess of revenue recognized on uncompleted contracts	(152,468,146)	(131,874,650)
	\$ 12,510,386	\$ 84,022,475

Contract assets include \$48,000,000 and \$0 on unapproved changes orders and claims for additional overhead costs incurred due to customer schedule delays at December 31, 2024 and 2023, respectively. All the change orders or claims are subject to negotiation or litigation. In the opinion of management, all unapproved change orders and claims are realizable as estimated and have sound legal basis.

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Notes to Consolidated Financial Statements

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7. Property and Equipment

Property and equipment consist of the following:

<i>December 31,</i>	2024	2023
Land	\$ -	\$ 2,783,413
Buildings and improvements	8,233,026	24,667,208
Machinery and equipment	50,795,518	41,985,501
Computer equipment	3,435,351	3,906,055
Computer software	2,750,098	3,823,547
Furniture and fixtures	5,786,961	5,526,894
Vehicles	2,251,177	2,156,512
Construction in progress	17,513,791	4,787,448
	90,765,922	89,636,578
Less: accumulated depreciation	(37,019,232)	(37,746,266)
	\$ 53,746,690	\$ 51,890,312

Depreciation expense for the years ended December 31, 2024 and 2023 was \$7,442,823 and \$6,862,070, respectively.

8. Intangible Assets

Intangible assets consist of the following:

<i>December 31, 2024</i>	Gross	Accumulated Amortization	Net
Amortizable intangible assets:			
Contract backlog	\$ 8,058,849	\$ (8,058,849)	\$ -
Customer relationships	38,845,590	(26,729,425)	12,116,165
Trade name	12,552,291	(3,499,337)	9,052,954
Non-compete agreements	-	-	-
Engineering libraries	3,900,000	(747,500)	3,152,500
Developed technology	18,180,298	(12,166,126)	6,014,172
Total Amortizable Intangible Assets	\$ 81,537,028	\$ (51,201,237)	\$ 30,335,791

TMS Group Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2023

	Gross	Accumulated Amortization	Net
Amortizable intangible assets:			
Contract backlog	\$ 8,058,849	\$ (8,058,849)	\$ -
Customer relationships	42,134,199	(27,298,386)	14,835,813
Trade name	14,403,126	(4,436,814)	9,966,312
Non-compete agreements	1,143,000	(1,143,000)	-
Engineering libraries	3,900,000	(552,500)	3,347,500
Developed technology	21,113,345	(12,733,623)	8,379,722
Total Amortizable Intangible Assets	\$ 90,752,519	\$ (54,223,172)	\$ 36,529,347

Amortization expense on intangible assets was \$4,982,793 and \$5,580,659, respectively, for the years ended December 31, 2024 and 2023. Amortization of intangible assets for years subsequent to December 31, 2024 is as follows:

Year ending December 31,

2025	\$ 4,766,828
2026	4,766,828
2027	4,702,879
2028	3,181,181
2029	3,018,215
Thereafter	9,899,860
	\$ 30,335,791

9. Goodwill

The changes in the carrying amounts of goodwill are as follows:

	Gross Cost	Accumulated Amortization	Accumulated Impairment	Net Goodwill
Balance, December 31, 2022	\$ 142,922,824	\$ (82,954,198)	\$ (8,076,966)	\$ 51,891,660
Increase in goodwill related to acquisitions	16,725,691	-	-	16,725,691
Decrease in goodwill related to amortization	-	(10,495,071)	-	(10,495,071)
Balance, December 31, 2023	159,648,515	(93,449,269)	(8,076,966)	58,122,280
Increase in goodwill related to acquisitions	1,287,613	-	-	1,287,613
Write-off of goodwill related to divestiture	(6,713,088)	6,713,088	-	-
Decrease in goodwill related to amortization	-	(10,685,940)	-	(10,685,940)
Balance, December 31, 2024	\$ 154,223,040	\$ (97,422,121)	\$ (8,076,966)	\$ 48,723,953

TMS Group Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Amortization of goodwill for years subsequent to December 31, 2024 is as follows:

<i>Year ending December 31,</i>		
2025	\$	8,664,789
2026		8,568,905
2027		8,021,470
2028		5,557,504
2029		6,502,019
Thereafter		11,409,266
	\$	48,723,953

10. Other Long-Term Assets

Other long-term assets consist of the following:

<i>December 31,</i>	2024	2023
Loan receivable - JFL	\$ 7,549,376	\$ 7,000,000
Supplier development funds	8,097,165	8,097,165
Fulfillment costs	5,613,557	5,847,118
Pension assets	1,050,658	1,140,393
Equity investments	793,365	793,365
Other	882,311	500,521
	\$ 23,986,432	\$ 23,378,562

11. Accrued Expenses

Accrued expenses consist of the following:

<i>December 31,</i>	2024	2023
Accrued payroll and benefits	\$ 14,203,908	\$ 12,480,199
Warranty claims and guarantees	300,000	708,536
Accrued professional fees	1,268,973	1,621,365
Taxes other than income	3,396,855	4,576,632
Customer deposits	290,534	2,456,670
Other	2,329,358	2,161,602
	\$ 21,789,628	\$ 24,005,004

TMS Group Holdings, LLC and Subsidiaries

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12. Long-Term Debt

Long-term debt consists of the following:

<i>December 31,</i>	2024	2023
Term loan	\$ 372,508,845	\$ 380,248,745
Term loan - paid-in-kind interest	1,850,776	-
Less: debt issuance cost	(6,889,746)	(7,350,924)
Less: current maturities	(3,739,900)	(3,739,899)
Long-Term Debt	\$ 363,729,975	\$ 369,157,922
Revolving line of credit	\$ -	\$ 37,500,000

On February 26, 2021, Trident and Lake Shore, each a “Borrower” and collectively the “Borrowers,” entered into a credit agreement with Barings Finance LLC (Barings) as the administrative agent. The credit agreement included an initial term loan in the amount of \$305,000,000, the proceeds of which were used to refinance the existing indebtedness of Trident and Lake Shore.

On April 29, 2022, the Company amended the credit agreement with Barings to include additional borrowings in the form of an incremental term loan in the amount of \$68,700,000 and an increase to the existing revolving line of credit from \$32,500,000 to \$37,500,000. The proceeds were used to refinance the existing indebtedness of Trident and Lake Shore and fund certain fees, expenses, and other transaction costs associated with the Company’s 2022 acquisition of AGI Holdings, LLC (AGI), including the repayment of AGI’s existing indebtedness to BNP Paribas as the administrative agent. BNP Paribas is not a lender under the amended credit agreement.

On October 19, 2023, the Company amended the credit agreement with Barings, which waived any existing Financial Condition Covenants Events of Default and adjusted the financial covenants for the fiscal quarters ended September 30, 2023 and December 31, 2023 while funding an incremental term loan of \$15,000,000 guaranteed by J.F. Lehman & Company (JFL) until certain leverage levels are met and amended language on dispositions and application of mandatory prepayments. In exchange, JFL injected \$26,500,000 of a member’s contribution to the Company. In addition, a new liquidity covenant is in place that provides for a liquidity certification and 13-week cash flow forecast to be delivered within five business days of month end. The Credit Agreement includes a restrictive financial covenant regarding the net leverage ratio of the Company and an excess cash flow payment determined based on current year results. This amendment and incremental term loan were a direct result of a cyber-attack on the Company in 2023 that significantly impacted the Company’s business and working capital.

During 2024, there were seven amendments to the Credit Agreement with Barings. On October 3, 2024, the Company amended the Credit Agreement with Barings to include the addition of paid-in-kind (PIK) interest for the initial term loans, 2023 incremental term loans, and revolving loans. The PIK interest rate is determined by the Company’s consolidated total net leverage ratio. The PIK interest rate as of December 31, 2024 was 2% per annum. There was \$1,850,776 of PIK interest added to the term loan balance in 2024.

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Under the Credit Agreement, the term debt and revolving credit facility mature on February 26, 2027, and are collateralized by substantially all assets of the Borrowers. The interest rate on both the revolving line of credit and term loan is calculated on the SOFR Rate as defined in the Credit Agreement plus applicable margin for such type of loan. The effective interest rate, as of December 31, 2024, was approximately 10%. The Company has quarterly principal payments of \$934,975, which is reduced on a proportional basis if any excess cash flow payments have been made, with the remainder due on the maturity date. As a result of the sale of AGI US Acquisition Inc. and Hoffman, Trident made a mandatory prepayment of \$4,000,000 in principal. As of December 31, 2024, the Company is in violation of certain financial covenants, including net leverage ratio. On June 30, 2025, the Company obtained a waiver from its lenders for all events of default under the Credit Agreement and removed the net leverage ratio from future periods. The amendment updated certain terms of the Credit Agreement and requires the Company to maintain a minimum liquidity of \$10 million and submit a liquidity certificate on a weekly basis. The Company had \$37,500,000 unused and available on the revolving line of credit as of December 31, 2024.

Aggregate maturities of debt for years subsequent to December 31, 2024 are as follows:

Year ending December 31,

2025	\$	3,739,900
2026		3,739,900
2027		366,879,821
	\$	374,359,621

13. Income Taxes

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

<i>December 31,</i>	2024	2023
Current tax expense (benefit):		
U.S. federal	\$ 3,384,737	\$ (5,246,394)
State and local	517,282	(480,998)
Foreign	5,069,342	671,297
Total Current Tax Expense (Benefit)	8,971,361	(5,056,095)
Deferred tax expense:		
U.S. federal	13,566,934	2,011,745
State and local	2,421,645	679,379
Foreign	334,045	308,610
Total Deferred Tax Expense	16,322,624	2,999,734
Provision (Benefit) for Income Taxes	\$ 25,293,985	\$ (2,056,361)

TMS Group Holdings, LLC and Subsidiaries

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The components of the Company's deferred tax assets and liabilities are as follows:

<i>December 31,</i>	2024	2023
Deferred tax assets:		
Accounts receivable	\$ 67,326	\$ 30,187
Inventory	513,468	581,057
Accrued liabilities	1,933,502	1,743,844
Goodwill	1,973,730	2,321,577
Amortization	3,060,914	4,279,075
Research and development (R&D) expense 174	7,584,033	1,413,131
Net operating losses	11,185,044	11,844,100
Lease liability	15,909,614	12,755,573
Disallowed interest expense	15,019,830	12,683,596
R&D credit	325,920	2,025,920
Project reserves	3,191,942	322,939
Other	1,278,430	2,459,499
	62,043,753	52,460,498
Less: valuation allowances	(42,400,715)	(17,469,991)
Total Deferred Tax Assets	19,643,038	34,990,507
Deferred tax liabilities:		
Depreciation	(5,049,670)	(5,594,764)
ROU asset	(15,345,171)	(12,403,695)
Amortization	(7,000,275)	(7,846,957)
Prepaid expenses	(215,457)	(185,840)
R&D expense 174	-	(133,600)
Other	387,068	(85,064)
Total Deferred Tax Liabilities	(27,223,505)	(26,249,920)
Net Deferred Tax (Liabilities) Assets	\$ (7,580,467)	\$ 8,740,587

The amounts above are included on the consolidated balance sheet as follows:

<i>December 31,</i>	2024	2023
Deferred income tax assets	\$ 1,522,145	\$ 16,877,800
Noncurrent deferred tax liabilities	(9,102,612)	(8,137,213)
Net Deferred Tax (Liabilities) Assets	\$ (7,580,467)	\$ 8,740,587

The Company's effective tax rate differs from the U.S. statutory federal income tax rate due to U.S. state income taxes, permanent differences between financial and income tax reporting primarily relating to nondeductible expenses, and the establishment and maintenance of valuation allowances for certain jurisdictions in which the Company files income tax returns.

The Company regularly evaluates the need for valuation allowances related to deferred tax assets for which future realization is uncertain. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not some portion, or all, of the deferred tax assets will not be realized. Management considers all available evidence, both positive and negative,

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in determining whether a valuation allowance is required. Such evidence includes the scheduled reversal of deferred tax liabilities, projected future taxable income, taxable income in prior carryback years, and tax planning strategies in making this assessment, and judgment is required in considering the relative weight of negative and positive evidence for each jurisdiction.

As of each reporting date, management considers new evidence, both positive and negative, that could affect its view of the future realization of deferred tax assets. A valuation allowance remains on certain U.S. deferred tax assets the Company believes are not currently realizable. Previously, this included only deferred tax assets related to business interest expense limitation, capital loss carryforward, and certain net operating loss carryforwards. At December 31, 2024, a valuation allowance was established for additional U.S. deferred tax assets not previously reserved. At December 31, 2024 and 2023, a valuation allowance of \$42,400,715 and \$17,469,991, respectively, was recorded.

The Company has U.S. federal, U.S. state, and foreign net operating loss carryforwards of \$24.4 million, \$70.4 million, and \$7.9 million at December 31, 2024, respectively. The net operating loss carryforwards will begin to expire in 2030 for U.S. federal losses, 2028 for U.S. state losses, and 2035 for foreign losses. The statute of limitations remains open for U.S. federal income tax examinations for the 2021 - 2023 tax years, U.S. state income tax examinations for the 2020 - 2023 tax years, and foreign examinations for various tax years depending upon the jurisdiction.

The Company follows the provisions of ASC 740-10, *Accounting for Uncertainty in Income Taxes*, an interpretation of FASB Statement No. 109 (ASC 740-10). As of December 31, 2024 and 2023, the Company has no gross unrecognized tax benefits or associated accrued interest or penalties.

As of December 31, 2024, the Company's intent and ability is to indefinitely reinvest the foreign earnings of the foreign subsidiaries of US Joiner Holding Co. and Baltec Holding Co.. The Company intends to repatriate (and not indefinitely reinvest) future earnings from the subsidiaries of Trident Callenberg Holdco US, Inc. As of December 31, 2024, undistributed earnings for these entities have an immaterial tax consequence if the earnings are repatriated and, therefore, no related deferred tax liabilities have been recognized in the consolidated financial statements.

14. Leases

Operating Leases

The Company leases office space, warehouse space, equipment, and vehicles under noncancelable operating lease agreements with terms expiring at various dates through 2034. The depreciable lives of assets and leasehold improvements are limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise.

TMS Group Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Future minimum lease payments due under operating lease obligations are as follows:

<i>Year ending December 31,</i>		
2025	\$	12,657,277
2026		11,590,061
2027		10,559,478
2028		8,556,572
2029		7,411,442
Thereafter		62,202,949
Total Lease Payments		112,977,779
Less: imputed interest		(46,182,748)
Present Value of Operating Lease Liabilities		66,795,031
Less: current portion of operating lease liabilities		(7,627,118)
Noncurrent Portion of Operating Lease Liabilities	\$	59,167,913

The components of operating lease expense consisted of the following:

<i>December 31,</i>	2024	2023
Operating lease costs ⁽¹⁾	\$ 12,529,131	\$ 10,457,751
Variable lease costs	1,299,808	1,208,694
Short-term lease costs	151,712	78,000
Total Operating Lease Cost	\$ 13,980,651	\$ 11,744,445

⁽¹⁾ Includes sublease income of \$1,091,573 and \$1,009,523 for 2024 and 2023, respectively.

Supplemental information related to operating leases are as follows:

<i>December 31,</i>	2024	2023
Weighted-average remaining lease term	10.10 years	6.00 years
Weighted-average discount rate	5.6%	7.7%

Sale-Leaseback Transaction

On September 26, 2024, the Company entered into and consummated a sale-leaseback transaction with an unrelated third party. Under this transaction, the Company sold five properties for gross proceeds of \$25,000,000. As a result of the sale-leaseback transaction, the Company recognized a net gain of \$8,544,545 included in miscellaneous income in its consolidated statements of operations and comprehensive loss.

Finance Leases

The Company leases certain equipment under various finance lease agreements with terms expiring at various dates through 2030.

TMS Group Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Future minimum lease payments due under finance lease obligations are as follows:

<i>Year ending December 31,</i>		
2025	\$	893,259
2026		804,343
2027		611,574
2028		258,453
2029		100,558
Thereafter		877
Total Lease Payments		2,669,064
Less: imputed interest		(335,817)
Present Value of Finance Lease Liabilities		2,333,247
Less: current portion of finance lease liabilities		(888,324)
Noncurrent Portion of Finance Lease Liabilities	\$	1,444,923

Assets held under finance leases are included in property and equipment and consisted of the following:

<i>December 31,</i>	2024		2023	
Property rights under finance leases	\$	4,438,826	\$	2,932,745
Less: accumulated depreciation		(993,492)		(583,371)
Equipment Under Finance Leases, Net	\$	3,445,334	\$	2,349,374

Supplemental information related to finance leases is as follows:

<i>December 31,</i>	2024		2023	
Weighted-average remaining lease term		3.1 years		2.9 years
Weighted-average discount rate		7.8%		6.8%

15. Unit-Based Compensation

Unit-based compensation cost is measured at the grant date, based on the fair value of the award, and is recognized as expense over the requisite service period. The compensation expense charged against operations was \$5,545 and \$773,983 for the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023, there was \$0 and \$5,545 of total unrecognized compensation expense related to non-vested restricted units granted under the plan, respectively.

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The board did not award any units in 2024 and 2023. The Company granted Class C-2 and Class C-3 Common Units in 2022. All units granted had a four- or five-year vesting term given that the employee maintained continuous service on the applicable vesting date. Historically, the fair value of each award was estimated on the date of grant using the Black-Scholes option pricing model. Expected volatilities were based on the historical volatility of publicly traded companies within the Company's business sector. The risk-free interest rate was based on the U.S. Treasury yield curve in effect at the time of grant for the expected term of the service.

<i>December 31,</i>	2024	2023
Expected term	4.0 years	4.0 years
Risk-free interest rate	2.14%	2.14%
Expected volatility rate	60.5%	60.5%
Company's expected dividend yield	-	-
Expected forfeiture rate	-	-

16. Employee Benefit Plans

Trident sponsors a 401(k) defined contribution retirement plan covering substantially all of its employees. The plan provides that eligible employees may contribute between 2% and 100% of their eligible earnings to the plan up to the maximum annual limit established by the Internal Revenue Service. Trident matches 50% of employee contributions up to 6% of compensation. Matching contributions were \$1,114,593 and \$1,582,906 for the years ended December 31, 2024 and 2023, respectively. The plan also provides for a discretionary profit-sharing contribution; there was no profit-sharing contribution for the years ended December 31, 2024 and 2023.

Lake Shore sponsors a 401(k) defined contribution retirement plan covering all qualified employees of Lake Shore after reaching 18 years of age and completing 250 hours of service during the first three months of employment. Lake Shore may make both matching contributions and discretionary contributions to participating employees. Lake Shore recognized expenses of \$570,895 for the year ended December 31, 2024 and \$442,885 for the year ended December 31, 2023 in connection with contributions made to the 401(k) plan. The Lake Shore plan was merged into the Trident sponsored plan on July 15, 2024.

AGI and subsidiaries sponsor several defined contribution retirement plans covering all qualified employees. AGI recognized expenses of \$695,774 for the year ended December 31, 2024 and \$813,868 for the year ended December 31, 2023 in connection with contributions made to the defined contribution retirement plans.

AGI's Canadian subsidiary also sponsors a defined benefit pension plan for certain employees. The plan includes 22 active members and ten deferred vested members. The plan was fully funded as of December 31, 2024 and 2023.

17. Concentrations

Approximately 33% and 42% of revenues for the years ended December 31, 2024 and 2023 were attributable to three customers, respectively. Approximately 30% of net receivables at December 31, 2024 and 2023 were attributable to four customers and two customers, respectively.

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18. Related Party Transactions

The Company has a management services agreement with JFL. Under terms of the agreement, they are to provide certain management, strategic, organizational, business, technical, and financial advisory services to the Company. In consideration of these services, the Company pays a quarterly fee of \$762,500 plus related expenses. Total fees and expenses incurred during 2024 and 2023 were \$3,269,541 and \$3,329,385, respectively, and are included in selling, general, and administrative expenses in the accompanying consolidated statements of operations and comprehensive loss. There were \$5,024,500 of unpaid management fees at December 31, 2024.

On January 2, 2023, Trident loaned JFL \$7,000,000, included in other long-term assets in the accompanying consolidated balance sheets. The loan accrues interest at 3.85% and is due on each anniversary or paid in full on the ninth anniversary of the date of the note. There was \$549,376 of accrued and unpaid interest income at December 31, 2024, included in other long-term assets.

On July 15, 2024, JFL-TMS Partners, LLC contributed \$15,000,000 of equity to Trident, Lake Shore, and AGI.

19. Commitments and Contingencies

The Company is subject to claims arising out of the Company's normal operations. In the opinion of management, the ultimate outcome of such issues will not have a material adverse effect on financial position or results of operations.

20. Subsequent Events

Management evaluated subsequent events and transactions for potential recognition or disclosure in the consolidated financial statements through July 28, 2025, the day the consolidated financial statements were approved and authorized for issue.