

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 26, 2026

ContextLogic Holdings Inc.

(Exact Name of Registrant as Specified in Its Charter)

DE	000-56773	27-2930953
(State or Other jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)
2648 International Blvd., Ste 301 Oakland, CA		94601
(Address of principal executive offices)		(Zip Code)

Registrant's telephone number, including area code: (415) 965-8476

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act: None.

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by checkmark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.01 Completion of Acquisition or Disposition of Assets

As previously disclosed in the Current Report on Form 8-K filed with the Securities and Exchange Commission (the “SEC”) on February 26, 2026, the Company consummated the previously announced acquisition (the “US Salt Acquisition”) of US Salt Parent Holdings, LLC, a Delaware limited liability company (“US Salt”) pursuant to the terms of the Purchase Agreement entered into on December 8, 2025, as amended (the “Purchase Agreement”). Pursuant to the transactions described in the Purchase Agreement (together the “Transaction”), on February 26, 2026, at the closing of the US Salt Acquisition (the “Closing”) the Company acquired US Salt and its subsidiaries, including US Salt’s salt production and manufacturing business, and the Company holds substantially all of the assets and business of US Salt.

In connection with the Closing, the Company is voluntarily providing the following supplemental disclosure on this Current Report on Form 8-K/A solely for informational purposes:

- Exhibit 99.2, filed with this Current Report on Form 8-K, includes the disclosure required by Part I, Item 303 (Management’s Discussion and Analysis of Financial Condition and Results of Operations) of Regulation S-K, provided with respect to US Salt as of and for the years ended December 31, 2025 and 2024 (the “Supplemental US Salt MD&A”).
- Exhibit 99.3, filed with this Current Report on Form 8-K/A, includes audited consolidated financial statements and the related notes of US Salt Parent Holdings, LLC and its subsidiaries as of the years ended December 31, 2025 and 2024, (the “US Salt Financial Statements”).
- Exhibit 99.4, filed with this Current Report on Form 8-K/A, includes certain unaudited pro forma condensed combined financial information of US Salt, prepared in accordance with Article 11 of Regulation S-X of the SEC, based on the historical consolidated financial statements of the Company and US Salt, and is intended to provide information about how the Transaction might have affected the Company’s historical consolidated financial statements (the “Unaudited Pro Forma Financial Information”).

The unaudited pro forma balance sheet as of December 31, 2025 combines the historical unaudited condensed consolidated balance sheet of the Company and the historical unaudited condensed consolidated balance sheet of US Salt, each as of December 31, 2025, and depicts adjustments reflecting the accounting for the Transaction as if it had occurred on that date. The unaudited pro forma statement of operations for the year ended December 31, 2025 reflects the combination of (i) the historical audited consolidated statement of operations of the Company for the year ended December 31, 2025, with (ii) the historical audited consolidated statement of operations of US Salt for the year ended December 31, 2025, and depicts the adjustments reflected on the unaudited pro forma balance sheet assuming those adjustments were made on January 1, 2025.

As described therein, the Unaudited Pro Forma Financial Information is based on current estimates of, and good faith assumptions regarding, the adjustments arising from the Transaction, has been prepared for illustrative purposes and is not necessarily indicative of what combined results of operations would have been. None of the Company or US Salt make any representation or warranty, express or implied, as to, or assumes any responsibility for, the accuracy or completeness of the information contained in the Unaudited Pro Forma Financial Information. Nothing contained in the Unaudited Pro Forma Financial Information is, or shall be relied upon as, a promise or representation by any of the Company or US Salt, as to the matters set for the therein, whether as to the past or the future.

This Current Report on Form 8-K/A is being filed to update the Current Report on Form 8-K of the Company filed on February 26, 2026. The sole purpose of this amendment is to disclose the financials of US Salt Parent Holdings, LLC as discussed above.

Item 9.01 Financial Statements and Exhibits.

(a)

As discussed above under Item 2.01, the US Salt Financial Statements are filed as Exhibit 99.3 hereto and are incorporated herein by reference.

(b)

As discussed above under Item 2.01, the Unaudited Pro Forma Financial Information is filed as Exhibit 99.4 hereto and are incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description	Form/Filing	Date	Number	Filed Herewith
23.1	Deloitte Auditor Consent				X
99.2	Supplemental US Salt MD&A				X
99.3	US Salt Financial Statements				X
99.4	Unaudited Pro Forma Financial Information				X

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CONTEXTLOGIC HOLDINGS INC.

Date: March 5, 2026

By: /s/ Mark Ward
Mark Ward
President
Principal Executive Officer

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in Registration Statement Nos. 333- 285746, 333-277676, 333-270074, 333-264625, 333-263538, 333-262433, 333- 251374 and the Registration Statement filed on March 5, 2026 on Form S-8 of ContextLogic Holdings Inc. of our report dated March 3, 2026, relating to the financial statements of US Salt Parent Holdings, LLC appearing in this Current Report on Form 8-K/A dated March 5, 2026.

/s/ Deloitte & Touche LLP

New York, New York
March 5, 2026

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS**

ContextLogic Holdings, Inc.

For our management's discussion and analysis of financial condition and results of operations thereon for our historical financial statements, please refer to ContextLogic Holdings, Inc. ("ContextLogic")'s Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on March 5, 2026, Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2025, filed with the SEC on May 9, 2025, June 30, 2025, filed with the SEC on August 7, 2025, and September 30, 2025 filed with the SEC on October 28, 2025, each of which is incorporated by reference herein.

US Salt Parent Holdings, LLC and Subsidiaries

You should read the following discussion and analysis of US Salt Parent Holdings, LLC and Subsidiaries ("US Salt")'s financial condition and results of operations together with audited consolidated financial statements of US Salt as of and for the years ended December 31, 2025 and 2024 (collectively, "US Salt Financial Statements") and the related notes and other financial information included elsewhere in this 8-K filing. The discussion and analysis should also be read together with the information presented in the sections entitled "Selected Historical Financial Information of US Salt" and "Unaudited Pro Forma Condensed Combined Financial Information." Some of the information contained in this discussion and analysis or set forth elsewhere in this 8-K filing, including information with respect to US Salt's plans and strategy for US Salt's business and related financing, including forward-looking statements that involve risks, uncertainties and assumptions. US Salt's actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this 8-K filing. See "Special Note Regarding Forward-Looking Statements" and "Risk Factors" for a discussion of forward-looking statements and important factors that could cause actual results to differ materially from the results described in or implied by these forward-looking statements.

Overview

US Salt is a leading producer, packager, and distributor of evaporated and specialty salt products originally founded in 1893. US Salt produces evaporated salt by injecting water into underground salt deposits to create saturated brine (~8× the salinity of seawater), then pumping the brine into MEE systems where steam-driven heat under reduced pressure crystallizes high-purity salt into consistent granule sizes. Evaporated salt, as distinct from rock salt and solar salt, operates in a niche of the salt market that requires demanding purity levels (often over 99.6% sodium chloride) for use in such applications as food and pharmaceutical products. As a result, evaporated salt generally commands higher prices than rock salt and solar salt.

US Salt's vertically integrated Watkins Glen, New York facility is one of only 16 evaporated salt facilities in the United States. US Salt believes that the majority of currently operational facilities date back to the 19th century. Industry-wide domestic production of evaporated salt exhibited a 0.1% annualized growth rate between 1998 and 2023, according to USGS data.

US Salt's products primarily include private-label and branded round-can table salts, pharmaceutical-grade salts used in saline and dialysis solutions, food-processing salts used in manufacturing and preservation, and pool and water-softening salts for household and commercial use. US Salt's fully integrated operating model provides end-to-end control over quality, reliability, and cost, resulting in consistent cash generation and long-term customer retention in a stable, non-cyclical industry.

The US salt market represents approximately \$3 billion in annual sales and has remained structurally stable for more than a decade, with evaporated salt accounting for roughly one-third of total demand. Domestic capacity has been largely unchanged for twenty years, and no new large-scale evaporation facilities have been constructed since 1999. This constrained supply base, combined with essential end-market demand in food, pharmaceuticals, and utilities, has supported favorable pricing and high barriers to entry.

As a specialized producer of high purity evaporated salt products, one of the largest private label round can salt producers, US Salt believes that it is one of only two domestic suppliers with scaled capability to produce U.S. Pharmacopeia (USP)-compliant salt for pharmaceutical applications. US Salt believes it is well positioned to deliver its low-cost but high-value products to its customers. US Salt is strategically focused on highest value segments of the salt market. US Salt's key competitive strengths support its ability to consistently offer a range of solutions to its customers in a supply-constrained market with high barriers to entry. US Salt also serves a diversified customer base within these end markets where it maintains long-standing customer relationships. US Salt believes that its salt caverns, unique round-can packaging line, regulatory certifications and expensive construction process for new entrants, coupled with its 130-year continuous operating history, has provided it with leading market positions and created significant barriers to entry for potential competitors.

As a result of US Salt's vertically integrated operation, US Salt solution mines, manufactures, processes, packages, markets, distributes and sells salt, allowing it to go directly to the market with the following products:

- **Private label and branded round can salt:** 26-ounce canisters marketed under customer (private label) and US Salt-owned brands, sold through wholesale and retail channels.
- **Pharmaceutical salt:** High-purity, USP-compliant salt used to manufacture medical saline and dialysis solutions, sold through wholesale and commercial channels.
- **Food-grade salt:** Bagged and bulk salt used as an ingredient by food manufacturers, sold through wholesale and commercial channels.
- **Pool salt:** Bagged salt used to generate chlorine in saltwater swimming pools, sold through wholesale, commercial, and retail channels.
- **Water softening salt:** Bagged salt pellets used in residential water treatment systems, sold through wholesale, commercial, and retail channels.
- **Kosher / sea salt / other specialty:** Specialty salts, including kosher, sea, and pink varieties, sold through wholesale and retail channels. US Salt supplies its products according to customer specifications and regulatory requirements, and it supplements in-house production with limited third-party sourcing to broaden assortment where appropriate.

US Salt serves a diverse mix of end markets where salt is an essential input with limited substitution risk such as retail grocery, food processing, pharmaceuticals, water softening, and other industrial applications. US Salt sells to a diversified customer base where it maintains long-standing customer relationships, including national and regional retailers, food manufacturers, distributors, and healthcare companies. US Salt believes that the demanding, extensive and costly qualification process for new entrants, coupled with its history of consistently delivering exceptional solutions for its customers, has provided it with leading market positions and created significant barriers to entry for potential competitors.

Diversification across channels and end markets provides resilience through economic cycles. Over the five- and ten-year periods ended December 31, 2025, US Salt's revenues grew at compound annual growth rates of approximately 7% and 8%, respectively, primarily driven by favorable product mix, new business wins, and disciplined pricing. For more information about how US Salt uses non-GAAP financial measures in its business, the limitations of these measures, and a reconciliation of these measures to the most directly comparable GAAP measures, please see the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures.*" US Salt focuses on building intrinsic value by growing its EBITDA and by improving its asset quality in a way that optimizes its cash flows. US Salt can employ its Free Cash Flow and other sources of liquidity to re-invest in its business, pay down debt and potentially make acquisitions. US Salt's capital expenditures were \$4.9 million and \$5.1 million for the years ended December 31, 2025 and 2024, respectively (excluding one-time investments of \$2.7 million and \$8.3 million, respectively), highlighting the low capital requirements of our business model. See "Liquidity and Capital Resources—Capital Expenditures."

Key Performance Drivers

US Salt's operating results are influenced by several key factors, including pricing dynamics, plant reliability and operational efficiency, product-mix shifts, labor costs, energy generation and consumption, and inflationary trends. Management continuously monitors these variables to sustain profitability and cash flow while maintaining reliable supply to US Salt's customers.

Product and Channel Mix

Profitability varies by product category. Pharmaceutical and food-grade salts generally carry higher average selling prices and margins, while bulk industrial and water-softening salts tend to be lower-margin. Period-to-period variations in mix—driven by customer demand, limited seasonality, and production scheduling—can influence reported gross margins. US Salt’s strategy to increase exposure to higher-value and specialty grades is expected to further improve blended profitability over time.

Pricing and Market Dynamics

The majority of US Salt’s sales are not subject to fixed-price or long-term contracts. Prices are established through frequent negotiations with retail, food, and industrial customers and generally reflect prevailing market conditions. Over the past three years, wholesale prices have increased meaningfully as US Salt captured value through disciplined pricing and closed historical gaps between private-label and branded products. Continued attention to pricing strategy, particularly in consumer and food channels, remains a key driver of revenue growth and gross-margin performance.

Plant Reliability and Operational Efficiency

Because US Salt operates a single integrated production facility, operational reliability and throughput materially affect unit costs and margins. Over the past several years, US Salt has executed a multi-year reliability and efficiency program focused on automation, predictive maintenance, and process-control optimization. These initiatives have increased packaging-line utilization, reduced downtime, and improved energy efficiency, contributing to strong margin expansion and consistent output.

Labor Costs and Workforce Productivity

Labor is a significant component of US Salt’s cost structure, primarily associated with production, packaging, and maintenance. Wage inflation, overtime, and incentive programs can impact results in the near term. Management’s focus on retention, cross-training, and process automation has improved workforce productivity and mitigated the effects of a tight regional labor market.

Energy Generation and Natural-Gas Costs

Energy is one of US Salt’s largest variable inputs, driven by natural gas used both for salt evaporation and to fuel its on-site gas-fired generators that supply the majority of the facility’s electricity. This largely off-grid system provides cost stability and insulation from regional power-market volatility. Fluctuations in natural-gas prices can impact margins if not offset by pricing actions; however, efficiency investments and selective hedging reduce exposure to sudden cost increases.

Inflation and Input Costs

General inflation and cost pressures on packaging materials, transportation, and maintenance services can affect US Salt’s results of operations. While pricing actions and cost-control measures have mitigated much of this impact, sustained inflation may influence customer purchasing behavior and margin performance. US Salt continues to emphasize supply-chain optimization, vendor consolidation, and productivity initiatives to offset inflationary trends.

Known Trends and Uncertainties

US Salt’s management monitors several trends and uncertainties that could materially affect our future results of operations, liquidity, and cash flows.

Natural Gas and Energy Inputs.

US Salt's operations are energy intensive, and natural gas is its largest variable input cost. US Salt currently benefits from a fixed-price supply contract with DTE that runs through March 2026. Upon expiration, US Salt expects to negotiate a renewal or pursue other supply alternatives. While future market pricing cannot be predicted with certainty, natural-gas cost variability may affect its production costs beginning in 2026 if market rates materially differ from the terms of the existing contract. US Salt's management intends to consider hedging strategies and operational efficiency initiatives to mitigate potential price volatility.

Labor Costs and Workforce Availability.

Wage inflation and a tight regional labor market have contributed to higher labor and benefit costs in recent periods. US Salt expects continued upward pressure on wages, which may increase US Salt's cost of revenue and Selling, general and administrative ("SG&A") expenses. Productivity initiatives, cross-training, and automation are expected to partially offset inflationary impacts; however, labor availability and cost trends remain a uncertainty.

Product Mix and Customer Demand.

A meaningful portion of US Salt's margins is influenced by the mix of pharmaceutical, food-grade, consumer, and industrial salt volumes. US Salt's strategy to increase exposure to higher-value categories is expected to support margin stability; however, the timing of large customer orders, competitive dynamics in private label programs, and broader economic conditions may contribute to period-to-period variability.

Maintenance and Production Reliability.

US Salt operates a single, vertically integrated facility. While its multi-year reliability program has improved uptime and operating efficiency, unplanned outages, major equipment failures, or extended maintenance projects could temporarily affect production volumes or increase costs. US Salt plans maintenance activities carefully to minimize operational disruptions, but variability in maintenance requirements is an ongoing uncertainty.

Inflationary Pressures and Supply Chain Costs.

Increases in the cost of packaging materials, freight, spare parts, and external maintenance services have affected cost trends in recent years. Although US Salt has generally been able to offset inflation through price increases and cost efficiency initiatives, sustained or accelerated inflation could impact US Salt's margins and working capital needs.

Seasonality

Pool salt and ice melt are the only products that exhibit consistent seasonal demand patterns—pool salt shipments typically increase in late spring and summer, while ice melt demand occurs in winter months. These products represent a limited portion of its overall sales, and seasonality has not had a material impact on US Salt's consolidated results.

Results of Operations

The following table summarizes US Salt's results of operations and certain operating data for the periods indicated (in thousands, unless otherwise indicated):

Comparison of the Years Ended December 31, 2025 and 2024

The following table summarizes our results of operations for the periods indicated (in thousands):

Consolidated Income Statements	Year Ended December 31,			
	2025	2024	\$ Change	% Change
Revenue	\$ 132,079	\$ 123,088	\$ 8,991	7.3%
Cost of revenue	83,127	79,912	3,215	4.0%
Gross profit	48,952	43,176	5,776	13.4%
Selling, general and administrative expenses	16,453	13,349	3,104	23.3%
Loss on disposal of plant, property and equipment	39	256	(217)	(84.8)%
Operating Income	32,460	29,571	2,889	9.8%
Other income (expenses), net	(21,245)	(24,544)	3,299	(13.4)%
Net income	\$ 11,215	\$ 5,027	\$ 6,188	123.1%
Other Financial and Operating Data:				
Gross profit% ¹	37.1%	35.1%	2.0%	5.6%
EBITDA ²	47,913	42,985	4,928	11.5%
EBITDA Margin % ¹	36.3%	34.9%	1.4%	4.0%
Adjusted EBITDA ²	55,333	48,886	6,447	13.2%
Adjusted EBITDA Margin % ¹	41.9%	39.7%	2.2%	5.5%

1 Calculated as a percentage of revenue

2 EBITDA and adjusted EBITDA are non-GAAP financial measures. For definitions of EBITDA and adjusted EBITDA and a reconciliation to the most directly comparable financial measures calculated and presented in accordance with GAAP, see "Management's Discussion and Analysis of Financial Condition and Result of Operations — Non-GAAP Financial Measures."

Revenue: Revenue for the year ended December 31, 2025 was \$132.1 million, an increase of \$9.0 million, or 7.3%, from \$123.1 million for the year ended December 31, 2024. The increase was primarily attributable to higher average sales prices, increased sales volumes, and a favorable product mix. The average sales price for 2025 was \$300.1 per ton, an increase of \$10.8 per ton, or 3.7%, from \$289.3 per ton in 2024, generating approximately \$4.8 million of additional revenue. US Salt sold 440,089 tons during 2025, an increase of 14,583 tons, or 3.4%, compared to 425,507 tons in 2024, resulting in approximately \$4.2 million of additional revenue.

Cost of Revenue and Gross Profit: Cost of revenue for the year ended December 31, 2025 was \$83.1 million, an increase of \$3.2 million, or 4.0%, from \$79.9 million for the year ended December 31, 2024. The increase was primarily attributable to higher production and sales volumes and a more expensive product mix. US Salt produced 432,500 tons of product in 2025, an increase of 2,794 tons compared to 429,706 tons produced in 2024, resulting in \$0.5 million of the total cost increase. A shift in sales mix to higher margin and higher cost products also drove a \$2.2 million increase in cost of revenue.

Gross profit for the year ended December 31, 2025 was \$49.0 million, an increase of \$5.8 million, or 13.4%, compared to \$43.2 million for the year ended December 31, 2024. Gross profit margin improved to 37.1% in 2025 from 35.1% in 2024, driven by improved pricing and mix, higher volumes, and sustained manufacturing. These improvements reflect continued operational reliability, enhanced process control, and workforce productivity gains.

Selling, General and Administrative Expenses: SG&A expenses for the year ended December 31, 2025 was \$16.5 million, an increase of \$3.1 million, or 23.3%, from \$13.3 million for the year ended December 31, 2024. The increase was primarily attributable to higher transaction expense of approximately \$2.5 million and higher salaries and benefits resulting from wage inflation and increased headcount (approximately \$0.4 million), as well as performance-based incentive compensation (approximately \$0.2 million).

Other Income (Expenses), Net: Other expenses, net for the year ended December 31, 2025 was \$21.2 million, a decrease of \$3.3 million, or 13.4%, compared to \$24.5 million for the year ended December 31, 2024. The decrease was primarily driven by a \$3.2 million reduction in interest expenses on term loans, resulting from lower interest rates of 9.40% at December 31, 2025 compared with 10.00% at December 31, 2024.

Net Income: Net income for the year ended December 31, 2025 was \$11.2 million, compared to \$5.0 million for the year ended December 31, 2024. The year-over-year improvement of \$6.2 million was primarily attributable to the \$5.8 million increase in gross profit during the period.

Non-GAAP Financial Measures

EBITDA and Adjusted EBITDA

Earnings before interest, taxes, depreciation and amortization, or EBITDA, and adjusted EBITDA are supplemental non-GAAP financial measures used by our management. US Salt defines EBITDA as net income before (i) interest expense, (ii) depreciation, amortization and depletion, and (iii) taxes. US Salt also discusses adjusted EBITDA, a non-GAAP financial performance measure. US Salt defines adjusted EBITDA as EBITDA before (i) management fees and board fees, (ii) unit-based compensation expense, (iii) non-recurring employee compensation, (iv) non-recurring professional fees, (v) non-recurring bad debt expense due to bankruptcy of a customer, (vi) non-recurring maintenance expense, (vii) non-recurring loss due to installation of blackstart backup generator, (viii) ARO accretion, (ix) non-recurring loss due to disposal of plant, property and equipment, (x) foreign currency (gain) loss, and (xi) other non-recurring adjustments. The most directly comparable GAAP financial measure to EBITDA and adjusted EBITDA is net income. We believe EBITDA and adjusted EBITDA offer useful views of the overall operation of US Salt's business because they allow comparison of its results of operations from period to period without regard to its financing methods or capital structure or other items that impact comparability of financial results from period to period such as fluctuations in interest expense or effective tax rates, levels of depreciation, amortization, and depletion, or unusual items. Users should consider the limitations of EBITDA and adjusted EBITDA, including the fact these measures do not provide a complete measure of US Salt's operating performance. EBITDA and adjusted EBITDA should not be considered as alternatives to, or more meaningful than, net income or any other measure as determined in accordance with GAAP. Our computations of adjusted EBITDA may not be comparable to EBITDA or adjusted EBITDA of other companies. US Salt presents EBITDA and adjusted EBITDA because it believes they provide useful information to investors regarding the factors and trends affecting its business.

The following table presents a reconciliation of US Salt's EBITDA and adjusted EBITDA to the GAAP financial measure of net income for each of the periods indicated (in thousands):

	Year Ended December 31,	
	2025	2024
Net income	\$ 11,215	\$ 5,027
Interest expense	21,293	24,413
Depreciation, amortization and depletion	15,405	13,545
Taxes ¹	—	—
EBITDA	\$ 47,913	\$ 42,985
Management fees and board fees ²	2,329	2,259
Unit-based compensation	481	549
Non-recurring employee compensation ³	390	749
Professional fees	2,980	530
Bad debt expense due to bankruptcy of one customer ⁴	—	295
Maintenance expense ⁵	136	1,100
Non-recurring loss due to installation of blackstart backup generator ⁶	1,210	—
Loss on disposal of plant, property and equipment ⁷	39	256
Foreign currency (gain) loss ⁸	(48)	132
Other non-recurring adjustments ⁹	(97)	31
Adjusted EBITDA	\$ 55,333	\$ 48,886
EBITDA Margin % ¹⁰	36.3%	34.9%
Adjusted EBITDA Margin % ¹⁰	41.9%	39.7%

1 US Salt is included in the tax filing of the shareholders of US Salt, which was taxed individually. As such, taxes do not include the effect of income tax expense.

2 US Salt incurred management fees payable to its private equity sponsor for advisory, oversight, and strategic management services under a management services agreement. US Salt also paid such advisory fees to the Board of Directors. These fees are included in selling, general, and administrative expenses. Following the completion of the transaction with ContextLogic, the management services agreement will be terminated, and no further management fees will be incurred. US Salt does not anticipate incurring any advisory fees payable to these Board of Directors following the completion of the transaction.

3 The non-recurring employee compensation includes executive transition expenses, one-time bonus, and other related non-recurring severance.

4 The bad debt expense incurred was due to bankruptcy of one customer and is viewed by US Salt as a non-recurring item considering the regular profile of US Salt's customer base.

5 The non-recurring maintenance expense includes maintenance cost incurred for well logging and generator overhauls.

6 Loss due to casualty, natural disasters, and installation of blackstart backup generator include actual loss of inventory, repair expenses, and estimated loss of revenue, which includes estimated loss of production of inventories plus the total of estimated loss of gross margin on those inventories. Estimated total loss of production of inventories was calculated based on the estimated quantities (Tons) by product type for the period impacted by the flood or installation of blackstart backup generator times standard costs per Ton by product type, as if the flood or the installation did not occur. Estimated total loss of gross margin on those inventories was calculated based on the estimated quantities (Tons) by product type for the period impacted by flood or installation of blackstart backup generator times the average gross margin per Ton by product type, as if the flood or the installation did not occur.

7 Majority of the loss on disposal of plant, property and equipment was due to casualty or natural disaster, which is non-recurring in nature.

8 The foreign currency exchange (gain) loss is non-operating in nature and may vary significantly between periods.

9 The other non-recurring adjustments include out-of-period diesel fuel refund, prior period sales and use tax refund, drilling fluid storage costs, and wood boiler tube conveyor removal.

10 Calculated as a percentage of revenue.

	Year Ended December 31,	
	(in thousands)	
	2025	2024
Revenue	\$ 132,079	\$ 123,088
Cost of Revenue	83,127	79,912
Gross Profit	48,952	43,176
Selling, general and administrative expenses	16,453	13,348
Loss due to casualty	—	—
Loss on disposal of property, plant and equipment	39	256
Operating Income	32,460	29,572
Other Expenses		
Interest expense	(21,293)	(24,413)
Foreign currency gain (loss)	48	(132)
Net Income	\$ 11,215	\$ 5,027
Net Income Margin %	8.5%	4.1%

Free Cash Flow

Free Cash Flows are driven primarily by increasing operating income and efficiently managing accounts receivable, inventory, accounts payable, and capital expenditures. Increases in operating income primarily result from increases in revenue and efficiently managing cost of revenues and selling, general and administrative expenses, partially offset by investing in plant, property, and equipment. US Salt makes longer-term strategic capital investment, including capital expenditures focused on expansion of production capacity and efficiency of production. US Salt provides multiple measures of Free Cash Flow because it believes these measures provide additional perspective to investors on the impact of acquiring plant, property, and equipment with cash and through finance leases and financing obligations.

Free Cash flow is cash flow from operations reduced by “Purchases of plant, property, and equipment” (“Free Cash Flow”). The following is a reconciliation of Free Cash Flow to the most comparable GAAP cash flow measure, “Net cash provided by (used in) operating activities” for each of the periods indicated (in thousands):

	Year Ended	
	December 31,	
	2025	2024
Net cash provided by operating activities	\$ 28,089	\$ 19,841
Purchases of plant, property and equipment	(7,584)	(13,387)
Free Cash Flow	\$ 20,505	\$ 6,454
Net cash (used in) investing activities	\$ (7,584)	\$ (13,387)
Net cash (used in) financing activities	\$ (17,061)	\$ (10,720)

Free Cash Flow less Principal Repayments of Finance Leases Obligations and Repayment on Term Loan

Free Cash flow less principal repayments of finance leases and repayment on term loan is Free Cash Flow reduced by “Principal repayments of finance leases” and “Principal repayments on term loan.” Principal repayments of finance leases and term loan approximate the actual payments of cash for US Salt’s finance leases and financing obligations. The following is a reconciliation of Free Cash Flow less principal repayments of finance leases and term loan to the most comparable GAAP cash flow measure, “Net cash provided by (used in) operating activities” for each of the periods indicated (in thousands):

	Year Ended	
	December 31	
	2025	2024
Net cash provided by operating activities	\$ 28,089	\$ 19,841
Purchases of plant, property and equipment	(7,584)	(13,387)
Free Cash Flow	20,505	6,454
Principal repayments of term loan	(13,320)	(7,320)
Principal repayments of finance leases	(138)	(121)
Cash Flow less principal repayments of finance leases and repayment on term loan	\$ 7,047	\$ (987)
Net cash (used in) investing activities	\$ (7,584)	\$ (13,387)
Net cash (used in) financing activities	\$ (17,061)	\$ (10,720)

	Year Ended December 31,	
	(in thousands)	
	2025	2024
Cash Flow from Operating Activities		
Net income	\$ 11,215	\$ 5,027
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation, depletion, and amortization	15,405	13,545
Loss due to casualty	—	817
Gain from insurance recovery	—	(817)
Amortization of debt issuance cost	705	815
Bad debt recovery	58	234
Unit-based compensation expense	481	549
Loss on disposals	39	256
Non-cash lease expense	898	700
Amortization of finance right-of-use assets	104	92
Interest on finance leases	47	49
Accretion of asset retirement obligation	71	78
Changes in operating assets and liabilities:		
Accounts receivable	1,321	(386)
Inventory	(2,017)	(1,140)
Prepaid expenses	56	213
Other inventories	(363)	1
Accounts payable	(275)	1,104
Operating lease liabilities	(888)	(713)
Accrued liabilities	1,232	(583)
Net Cash Provided by Operating Activities	<u>28,089</u>	<u>19,841</u>
Cash Flow from Investing Activities		
Purchases of plant, property, and equipment	(7,584)	(13,387)
Net cash Used in Investing Activities	<u>(7,584)</u>	<u>(13,387)</u>
Cash Flow from Financing Activities		
Repayment of principal on term loan	(13,320)	(7,320)
Repayment of principal of finance leases obligations	(138)	(121)
Members' contributions	42	6,280
Members' distributions	(3,460)	(9,196)
Distribution to noncontrolling parent interest	(35)	(93)
Proceeds from collection of unit subscription receivable	52	60
Repurchase of units	(202)	(330)
Net Cash Used in Financing Activities	<u>(17,061)</u>	<u>(10,720)</u>
Net Change in Cash and Cash Equivalents	3,444	(4,266)
Cash and Cash Equivalents, Begin of Year	7,362	11,628
Cash and Cash Equivalents, End of Year	<u>10,806</u>	<u>7,362</u>
Supplemental cash flow information		
Cash paid for interest	\$ 20,911	\$ 24,159
Supplemental non-cash investing and financing information:		
Repayment of subscription receivable from proceeds of units repurchase	\$ 45	\$ —
Plant, Property, and equipment in accounts payable	\$ 1,118	\$ 1,573
Additions and changes in asset retirement obligations	\$ 16	\$ (124)

Liquidity and Capital Resources

Sources of Liquidity

Liquidity is provided through cash flow from operations and availability under the revolving credit facility with Ares Capital Corporation. As of December 31, 2025 and 2024, US Salt remained in full compliance with its financial covenants, with sufficient headroom under the maximum leverage and fixed-charge coverage ratios. Management believes current liquidity is adequate to fund operations, planned capital expenditures, and working capital needs.

Capital Expenditures

Capital expenditures totaled approximately \$7.6 million and \$13.4 million for the years ended December 31, 2025 and 2024, respectively (including one-time investments of \$2.7 million and \$8.3 million, respectively). These amounts include expenditures related to several large, non-recurring maintenance and growth projects, including generator rebuilds, flood-mitigation initiatives, installation of a black-start backup generator to enhance power redundancy, and the new pool salt line project. As discussed elsewhere in this 8-K filing, US Salt also presents capital expenditures excluding certain one-time investments in order to provide a more meaningful view of its ongoing maintenance and recurring capital requirements. Since 2021, US Salt has invested over \$39 million to enhance production capacity, reliability, and efficiency, a portion of which relates to these non-recurring maintenance and growth initiatives.

Credit Facility

In July 2021, US Salt entered into a Credit Agreement with Ares Capital Corporation, as administrative agent, and the other parties thereto (the "Ares Credit Agreement"), which consists of a \$232 million term loan and up to \$25 million revolving line of credit.

Interest rate for the term loan and revolving line of credit as of December 31, 2025 was 9.4%, which was SOFR plus 5.40%. Interest rate for the term loan and revolving line of credit as of December 31, 2024 was 10%, which was SOFR plus 5.40%. Interest rate for the revolving line of credit is the greater of 4.50% plus prime rate, NYFRB (New York Federal Reserve Bank) rate plus 5.00% or SOFR (subject to .75% floor) plus 5.50%-5.65%.

The term loan requires quarterly principal payments of \$0.6 million commencing on March 31, 2022 through maturity on July 19, 2028, at which time the remaining principal balance is due. The term loan is subject to mandatory excess cash flow payments commencing for the year ended December 31, 2022 as defined in the Ares Credit Agreement, not to exceed \$5 million for any fiscal year. As of December 31, 2025 and 2024, US Salt did not expect to make additional term loan repayments due to Excess Cash Flow for the years ended December 31, 2025 and 2024.

The revolving line of credit expires on July 19, 2026 and is subject to commitment fee of .50% per annum. US Salt had no borrowings outstanding on the revolving line of credit at December 31, 2025 and 2024.

The term loan and revolving line of credit are secured by substantially all of the assets of US Salt and subject to certain financial covenants. US Salt was in compliance with all financial covenants at December 31, 2025 and 2024.

In relation to the Ares Credit Agreement, US Salt paid debt issuance cost of \$5.1 million, which is amortized over the life of the credit agreement. Amortization of debt issuance cost for the years ended December 31, 2025 and 2024 was \$0.7 million and \$0.8 million, respectively, and was reported in the interest expense in the consolidated statements of operations.

The Ares Credit Agreement has been repaid in full as of February 26, 2026 in connection with the consummation of the US Salt Acquisition.

Material Cash Requirements

US Salt expects to continue to fund its operations, working capital needs, and capital investments primarily through cash generated from operations and available capacity under its revolving credit facility.

Capital Expenditures

US Salt expects capital expenditures of approximately \$9.8 million in 2026 due to the addition of two new wells. The Company expects average annual capital expenditures of approximately \$6–\$8 million over the next several years, consisting primarily of maintenance, reliability projects, and select growth initiatives. Certain non-recurring projects—such as generator rebuilds, flood-mitigation investments, and the installation of the black-start backup generator—resulted in elevated capital spending in 2024. A reduction of \$5.6 million in non-recurring projects resulted in capital spending of \$7.6 million in 2025, a decrease of \$5.8 million compared to \$13.4 million in 2024.

Debt Service Obligations

As of December 31, 2025, US Salt is obligated to make quarterly principal payments of \$0.6 million on its term loan through its July 2028 maturity, with the remaining principal due at maturity. Interest payments will vary based on SOFR-linked rates applicable to its credit facility. We do not anticipate material excess-cash-flow payments under its credit agreement based on current forecasts.

Lease Commitments

We have non-cancelable operating lease commitments for warehouses, offices, equipment, railcars, and finance leases for equipment. As of December 31, 2025, remaining contractual lease payments were approximately \$1.8 million, with approximately \$0.9 million due within 12 months.

Environmental and Maintenance Requirements

US Salt incurs ongoing maintenance and periodic refurbishment costs associated with its production assets. These expenditures vary by year based on reliability requirements, but US Salt expects them to remain within the anticipated annual capital-expenditure range described above.

Management believes that cash flows from operations, together with availability under its revolving credit facility, will be sufficient to meet US Salt's material cash requirements for at least the next 12 months.

Cash Flows

Operating cash flow strengthened in 2025 due to improved earnings and disciplined working capital management. Investing cash flows primarily related to plant reliability and capacity projects. Financing cash flows reflect debt service and limited distributions (in thousands).

Comparison of the Years Ended December 31, 2025 and 2024

The following table summarizes cash flows for the periods indicated (in thousands):

	Year Ended December 31	
	2025	2024
Net cash provided by operating activities	\$ 28,089	\$ 19,841
Net cash used in investing activities	\$ (7,584)	\$ (13,387)
Net cash used in financing activities	\$ (17,061)	\$ (10,720)

Net cash provided by operating activities was \$28.1 million for the year ended December 31, 2025, an increase of \$8.2 million as compared to \$19.8 million of net cash provided by operating activities for the year ended December 31, 2024. The increase in net cash provided by operating activities was primarily attributable to higher net income generated for the year ended December 31, 2025 compared to the year ended December 31, 2024 by \$6.2 million, plus the increase in net cash provided by operations consisting primarily of \$1.7 million of decrease in accounts receivable and an increase of \$1.8 million in accrued liabilities. This amount is offset by net cash used in operations, consisting primarily of \$1.3 million of decrease in accounts payable.

Net cash used in investing activities was \$7.6 million for the year ended December 31, 2025, a decrease of \$5.8 million as compared to \$13.4 million of net cash used in investing activities for the year ended December 31, 2024. The decrease in net cash used in investing activities was attributable to a decrease of \$5.8 million in purchases of property and equipment.

Net cash used in financing activities was \$17.1 million for the year ended December 31, 2025, an increase of \$6.3 million as compared to \$10.7 million of net cash used in financing activities for the year ended December 31, 2024. The increase in net cash used in financing activities was primarily attributable to an increase of \$6.0 million in principal payments on the term loan, and decrease of \$6.2 million of contributions, offset by \$5.7 million of distributions to members and noncontrolling parent interest.

Contractual and Other Obligations

Debt obligations

Under the Ares Credit Agreement, US Salt's debt obligations include consists of a term loan and a revolving line of credit. Refer to discussions under the "Credit Facility" above.

Leases

US Salt leases warehouses, office space, and equipment under long-term lease agreements. The leases consist of operating leases expiring in various years through 2030, as well as standard operating leases for railcars, vehicles, and office space. As of December 31, 2025 and 2024, the future minimum lease payments required under these leases totaled \$1.8 million and \$2.3 million, with \$0.9 million and \$1.0 million payable within 12 months, respectively.

Off-Balance Sheet Arrangements

US Salt does not maintain any off-balance sheet financing or unconsolidated special purpose entities.

Critical Accounting Policies and Estimates

US Salt prepared the consolidated financial statements in conformity with GAAP, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the reporting date and the reported amounts of revenue and expenses during the reporting period. Actual results may vary from these estimates. Significant accounting policies are described in Note 2 to the consolidated financial statements. The policies below require significant judgment or estimate by management.

Revenue Recognition

US Salt's revenue is primarily generated from the sale of salt products to customers including nationwide retailers, pharmaceutical companies, food service operators, and independent distributors. Those sales predominantly contain a single performance obligation and revenue is recognized at a point in time when ownership, risks and rewards transfer, which can be on the date when the product is shipped or delivered to the customer based upon applicable shipping terms. Revenue is reported as net revenue and is measured as the determinable transaction price, net of any variable consideration such as discounts, rebates, sales incentives, rights to return product and any taxes collected from customers and remitted to government authorities. US Salt uses the most likely amount method to determine the variable consideration including discounts, rebates, and sales returns and allowances, which is treated as a reduction in revenue when product revenue is recognized. US Salt reviews and update the estimates and related accruals of variable consideration at the end of each reporting period based on the terms of the agreements, historical experience, and any recent changes in the market. The actual amounts paid may be different from such estimates. These differences, which have historically not been significant, are recognized as a change in management estimate in a subsequent period.

Inventories

US Salt's inventories include salt inventories, packaging, supplies, and maintenance materials, which are valued at the lower of cost or net realizable value using a first-in, first out method. Management monitors inventory levels and adjusts valuation for slow-moving, shrinkage, obsolescence, and markdowns. US Salt accounts for slow-moving or obsolete inventory with a reserve that is established based on management's estimates of the net realizable value of the related products at the end of each reporting period.

Recent Accounting Pronouncements

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures* (Subtopic 220-40): *Disaggregation of Income Statement Expenses* ("ASU 2024-03") and in January 2025, the FASB issued ASU No. 2025-01, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures* (Subtopic 220-40): *Clarifying the Effective Date*, which clarified the effective date of ASU 2024-03. ASU 2024-03 will require US Salt to disclose the amounts of purchases of inventory, employee compensation, depreciation and intangible asset amortization, as applicable, included in certain expense captions in the Consolidated Statements of Operations, as well as qualitatively describe remaining amounts included in those captions. ASU 2024-03 will also require US Salt to disclose both the amount and its definition of selling expenses. ASU 2024-03 is effective for US Salt's annual periods beginning after December 15, 2026. US Salt will adopt ASU 2024-03 in its consolidated financial statements as of and for the year ending December 31, 2027 using a prospective transition method. The Company does not expect the adoption to materially affect its consolidated financial position, results of operations, or cash flows, however, anticipates incremental disclosures in our consolidated financial statements to provide greater transparency into the composition of expense line items.

Financial Instruments – Credit Losses

In July 2025, the FASB issued ASU 2025-05, "*Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*" ("ASU 2025-05"). ASU 2025 amends the guidance in ASC 326 to simplify the estimation of credit losses on current accounts receivable and current contract assets arising from transactions accounted for under ASC 606. The amendments allow all entities to elect a practical expedient to assume that the current conditions as of the balance sheet date will remain unchanged for the remaining life of the asset when developing a reasonable and supportable forecast as part of estimating expected credit losses on these assets. Entities are required to disclose their practical expedient and accounting policy elections. The amendments are effective for fiscal years beginning after December 15, 2025, and interim periods within those fiscal years. We will adopt ASU 2025-5 in our consolidated financial statements as of and for the year ending December 31, 2026. We do not anticipate significant impact in adopting this standard.

Interim Reporting

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements* (“ASU 2025-11”), which is intended to improve the navigability of the guidance in ASC 270 and clarify when it applies. The ASU 2025-11 also addresses the form and content of such interim financial statements, adds lists to ASC 270 of the interim disclosures required by all other Codification topics, and establishes a principle under which an entity must “disclose events since the end of the last annual reporting period that have a material impact on the entity. Key improvements for the amendments include clarifying the interaction between interim reporting requirements and annual disclosure requirements; improving consistency in terminology and structure within Topic 270; correcting outdated references and aligning interim disclosure guidance with related topics across the Codification; and enhancing clarity around interim period measurement principles to reduce diversity in practice. The amendments are effective for fiscal years beginning after December 15, 2026, including interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the impact of ASU 2025-11, but does not expect the adoption to have a material effect on its consolidated financial statements.

Codification Improvements

In December 2025, the FASB issued ASU 2025-12, *Codification Improvements* (“ASU 2025-12”). The ASU 2025-12 addresses 33 specific issues within the FASB Accounting Standards Codification to enhance clarity, correct errors, and improve consistency and usability for all reporting entities. The amendments are effective for annual periods beginning after December 15, 2026. Early adoption is allowed on an issue-by-issue basis. US Salt will adopt ASU 2025-12 in our consolidated financial statements as of and for the year ending December 31, 2027, but does not expect the adoption to have a material effect on its consolidated financial statements.

Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

Borrowings under the Ares Credit Agreement bear interest at variable rates. US Salt monitors market conditions and may consider hedging strategies in the future. Sensitivity analysis indicates that a 100-basis-point change in rates would not have a material effect on annual interest expense.

Energy and Commodity Risk

Natural gas represents the largest variable input. US Salt’s fixed-price supply contract with DTE runs through March 2026, which mitigates near-term exposure. Management continues to evaluate renewal and hedging alternatives.

Foreign Currency Exchange Risk

Sales to Canada and Mexico account for less than 8% of total revenue. US Salt monitors cross-border exposures but does not engage in foreign currency hedging given immateriality.

Inflation and Labor Costs

Labor inflation remains a key focus area. US Salt anticipates manageable wage pressure in its next union negotiation cycle and continues to pursue offsetting productivity initiatives.

Internal Controls and Procedures

US Salt is not currently required to comply with the SEC's rules implementing Section 404 of the Sarbanes-Oxley Act and is therefore not required to make a formal assessment of the effectiveness of its internal control over financial reporting for that purpose. Following the completion of the US Salt Acquisition, US Salt, as part of the Company, is required to comply with the SEC's rules implementing Section 302 of the Sarbanes-Oxley Act which requires us to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of its internal control over financial reporting. This assessment includes disclosure of any material weaknesses identified by its management in its internal control over financial reporting.

A material weakness is a deficiency or combination of deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the financial statements would not be prevented or detected on a timely basis.

In fiscal year 2023, US Salt identified a material weakness in its internal control over financial reporting resulting from its lack of a formalized internal control framework in accordance with COSO, which relates to (a) an insufficient complement of personnel with an appropriate degree of internal controls knowledge, which caused management to be unable to appropriately define responsibilities to create an effective control environment; (b) the lack of a formalized risk assessment process; and (c) selection and development of control activities, including over information technology.

US Salt's management has concluded that these material weaknesses in its internal control over financial reporting are due to the fact that it was a private company with limited resources and did not have the necessary business processes and related internal controls formally designed and implemented coupled with the appropriate resources with the appropriate level of experience and technical expertise to oversee its business processes and controls.

With the help of external consultants, US Salt is currently in the process of implementing measures and taking steps to address the underlying causes of the material weakness and the control deficiencies. US Salt's efforts include adopting the COSO framework, developing and implementing control activities, and assessing the effectiveness of internal controls over financial reporting. US Salt intends to implement additional measures, which may include review and enhancement of processes and controls; review and enhancement of IT general controls over information systems relevant to financial reporting; and realignment of existing personnel and the addition of both internal and external personnel to strengthen processes and controls including management's review and documentation over internal control over financial reporting.

US Salt will continue implementing the above measures. However, it cannot be certain that the steps it is taking will be sufficient to remediate the control deficiencies that led to the material weakness in internal control over financial reporting or prevent future material weaknesses or control deficiencies from occurring. In addition, US Salt cannot be certain that it has identified all material weaknesses and control deficiencies in its internal control over financial reporting or that in the future it will not have additional material weaknesses or control deficiencies in its internal control over financial reporting.

US SALT PARENT HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

As of and for the years ended December 31, 2025 and 2024

US SALT PARENT HOLDINGS, LLC AND SUBSIDIARIES

CONTENTS

Independent Auditor's Report	1
Consolidated Financial Statements as of and for the years ended December 31, 2025 and 2024	
Consolidated Balance Sheets	3
Consolidated Income Statements	4
Consolidated Statements of Changes in Members' Equity	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members of US Salt Parent Holdings, LLC and Subsidiaries

Opinion

We have audited the consolidated financial statements of US Salt Parent Holdings, LLC and Subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated income statements, changes in members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

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

Basis for Opinion

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

/s/ Deloitte & Touche LLP

March 3, 2026

Consolidated Balance Sheets
December 31, 2025 and 2024

	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 10,805,730	\$ 7,362,031
Accounts receivable, net	12,135,457	13,514,707
Inventories	10,862,930	8,867,043
Prepaid expenses	1,012,968	1,068,828
Total Current Assets	34,817,085	30,812,609
Non-current Assets		
Plant, property and equipment, net	321,418,299	328,060,441
Goodwill	28,120,191	28,120,191
Intangibles, net	16,775,536	18,443,349
Operating lease right-of-use assets	1,147,174	1,608,264
Finance lease right-of-use assets	375,810	405,863
Other inventories	5,146,078	4,783,497
Total Non-current Assets	372,983,088	381,421,605
Total Assets	\$ 407,800,173	\$ 412,234,214
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 8,398,818	\$ 9,129,593
Accrued liabilities	6,385,908	5,153,817
Current maturities of long- term debt	2,320,000	2,320,000
Current portion of operating lease liability	688,711	709,098
Current portion of finance lease liability	100,699	76,982
Total Current liabilities	17,894,136	17,389,490
Non-current Liabilities		
Long- term debt, net of current maturities	203,161,485	215,776,672
Long- term portion of operating lease liability	467,069	897,997
Long- term portion of finance lease liability	302,668	343,350
Asset retirement obligations	806,799	751,834
Total Liabilities	222,632,157	235,159,343
Members' Equity		
Members' units, Class A 190,939 and 190,964 units issued and outstanding as of December 31, 2025 and 2024, respectively	181,029,080	184,492,108
Members' units, Class B 3,362 and 2,164 units issued and outstanding as of December 31, 2025 and 2024, respectively	1,491,880	1,212,683
Subscription note receivable	(68,451)	(165,000)
Retained earnings (accumulated deficit)	949,834	(10,153,392)
Noncontrolling parent interest	1,765,673	1,688,472
Total Members' Equity	185,168,016	177,074,871
Total Liabilities and Members' Equity	\$ 407,800,173	\$ 412,234,214

See Notes to Consolidated Financial Statements

US SALT PARENT HOLDINGS, LLC AND SUBSIDIARIES

Consolidated Income Statements
December 31, 2025 and 2024

	2025	2024
Revenue	\$ 132,079,041	\$ 123,088,183
Cost of Revenue	<u>83,127,061</u>	<u>79,912,121</u>
Gross Profit	48,951,980	43,176,062
Selling, general and administrative expenses	16,452,416	13,348,529
Loss on disposal of property, plant and equipment	39,118	255,678
Operating Income	<u>32,460,446</u>	<u>29,571,855</u>
Other Income (Expenses)		
Interest expense	(21,292,861)	(24,413,242)
Foreign currency income (loss)	<u>47,795</u>	<u>(132,087)</u>
Net Income	11,215,380	5,026,526
Net income attributable to noncontrolling parent interest	112,154	50,265
Net income attributable to Parent Holdings Class A unitholders	<u>\$ 11,103,226</u>	<u>\$ 4,976,261</u>
Basic and diluted weighted average Class A units outstanding	<u>190,942</u>	<u>189,924</u>
Earnings per unit attributable to Class A unit, basic and diluted	<u>\$ 58.15</u>	<u>\$ 26.20</u>

See Notes to Consolidated Financial Statements

US SALT PARENT HOLDINGS, LLC AND SUBSIDIARIES

Consolidated Statements of Changes in Members' Equity

December 31, 2025 and 2024

	Class A Member Units		Class B Member Units		Subscription Note Receivable	Retained Earnings (Accumulated Deficit)	Noncontrolling Parent Interest	Total Members' Equity
	Units	Amount	Units	Amount				
Balances, January 1, 2024	187,862	\$ 187,908,000	1,100	\$ 744,081	\$ (475,000)	\$ (15,129,653)	\$ 1,731,095	\$ 174,778,523
Members' contributions	3,602	6,279,986	-	-	-	-	-	6,279,986
Members' distributions	-	(9,195,878)	-	-	-	-	(92,888)	(9,288,766)
Collection of subscription note receivable	-	-	-	-	60,000	-	-	60,000
Unit-based compensation expense	-	-	1,382	548,602	-	-	-	548,602
Repurchase of units	(250)	(250,000)	(318)	(80,000)	-	-	-	(330,000)
Cancellation of units purchased and corresponding subscription note receivable	(250)	(250,000)	-	-	250,000	-	-	-
Net income	-	-	-	-	-	4,976,261	50,265	5,026,526
Balances, December 31, 2024	190,964	184,492,108	2,164	1,212,683	(165,000)	(10,153,392)	1,688,472	\$ 177,074,871
Members' contributions	-	42,284	-	-	-	-	-	42,284
Members' distributions	-	(3,460,312)	-	-	-	-	(34,953)	(3,495,265)
Collection of subscription note receivable	-	-	-	-	96,549	-	-	96,549
Unit-based compensation expense	-	-	1,357	480,515	-	-	-	480,515
Repurchase of units	(25)	(45,000)	(159)	(201,318)	-	-	-	(246,318)
Net income	-	-	-	-	-	11,103,226	112,154	11,215,380
Balances, December 31, 2025	<u>190,939</u>	<u>\$ 181,029,080</u>	<u>3,362</u>	<u>\$ 1,491,880</u>	<u>\$ (68,451)</u>	<u>\$ 949,834</u>	<u>\$ 1,765,673</u>	<u>\$ 185,168,016</u>

See Notes to Consolidated Financial Statements

US SALT PARENT HOLDINGS, LLC AND SUBSIDIARIES
Consolidated Statements of Cash Flows
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flow from Operating Activities		
Net income	\$ 11,215,380	\$ 5,026,526
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation, depletion, and amortization	15,404,688	13,545,094
Loss due to casualty	-	816,902
Gain from insurance recovery	-	(816,902)
Amortization of debt issuance cost	704,813	814,849
Bad debt expense	58,087	234,359
Unit-based compensation expense	480,515	548,602
Loss on disposals	39,118	255,678
Non-cash lease expense	898,244	699,702
Amortization of finance right-of-use assets	104,145	92,308
Interest on finance leases	47,126	48,857
Accretion of asset retirement obligation	70,965	78,479
Changes in operating assets and liabilities:		
Accounts receivable	1,321,163	(385,769)
Inventory	(2,016,875)	(1,140,346)
Prepaid expenses	55,860	212,672
Other inventories	(362,581)	976
Accounts payable	(275,860)	1,104,959
Operating lease liabilities	(888,469)	(712,686)
Accrued liabilities	1,232,091	(582,036)
Net Cash Provided by Operating Activities	<u>28,088,410</u>	<u>19,842,224</u>
Cash Flow from Investing Activities		
Purchases of plant, property, and equipment	(7,583,778)	(13,387,493)
Net cash Used in Investing activities	<u>(7,583,778)</u>	<u>(13,387,493)</u>
Cash Flow from Financing Activities		
Repayment of principal on term loan	(13,320,000)	(7,320,000)
Repayment of principal of finance leases obligations	(138,183)	(121,495)
Members' contributions	42,284	6,279,986
Members' distributions	(3,460,312)	(9,195,878)
Distribution to noncontrolling parent interest	(34,953)	(92,888)
Proceeds from collection of subscription note receivable	51,549	60,000
Repurchase of units	(201,318)	(330,000)
Net Cash Used in Financing Activities	<u>(17,060,933)</u>	<u>(10,720,275)</u>
Net Change in Cash and Cash Equivalents	3,443,699	(4,265,544)
Cash and Cash Equivalents, Beginning of Year	7,362,031	11,627,575
Cash and Cash Equivalents, End of Year	<u>\$ 10,805,730</u>	<u>\$ 7,362,031</u>
Supplemental cash flow information		
Cash paid for interest	\$ 20,911,147	\$ 24,158,783
Supplemental non-cash investing and financing information:		
Repayment of subscription receivable from proceeds of units repurchase	\$ 45,000	\$ -
Property, plant and equipment in accounts payable	\$ 1,118,320	\$ 1,573,234
Additions and changes in asset retirement obligations	\$ 16,000	\$ (124,184)

See Notes to Consolidated Financial Statements

Note 1. Nature of operations and basis of presentation

Nature of Business – On June 3, 2021, US Salt Parent Holdings, LLC (“Parent Holdings”) was formed and incorporated in Delaware as a limited liability company, which owns 99% members’ interest of US Salt Intermediate Holdings, LLC (“Intermediate Holdings”). On July 19, 2021, US Salt Holdings, LLC (“US Salt”) was formed and incorporated in Delaware and purchased 100% of the outstanding member’s interest in US Salt Investors, LLC, which owns 100% of member’s interest of US Salt, LLC. Emerald Lake Capital LP (“Emerald Lake”) together with Emerald Lake Pearl Acquisition, LP, Emerald Lake Pearl Acquisition-A, LP, and Emerald Lake Pearl Holding LLC indirectly purchased approximately 99.5% of the Class A units of the Parent Holdings through EL US Salt Aggregator, LP (“Aggregator”). Parent Holdings and Aggregator own 99% and 1% (collectively “Emerald Lake Investment”), respectively, of members’ interest of Intermediate Holdings, which owns 100% member’s interest of US Salt.

US Salt Parent Holdings, LLC and subsidiaries (the “Company”, we”, “us”, “our”) operate a single solution mining facility located in Watkins Glen, New York. The Company mines, processes, packages and sells a range of evaporated salt products used for food and food processing, pharmaceutical, water softening and industrial applications mainly in the U.S. and Canada, and other countries in North America. The Company’s primary products include round cans of salt, packaged pellets, packaged granulated salt, and medical grade salt. The Company’s customers primarily include national retail chains, pharmaceutical companies, food service operators, and independent distributors.

Merger Agreement – On December 8, 2025, ContextLogic Holdings Inc. (“ContextLogic”), incorporated in the state of Delaware and traded on the OTC (Over-the-Counter) market under the trade symbol LOGC, entered into a Purchase Agreement (the “Purchase Agreement”, or the “Transaction”) with the various parties to acquire Parent Holdings and its subsidiaries. The board of directors of both ContextLogic and Parent Holdings have approved the proposed Purchase Agreement. The Transaction closed on February 26, 2026. Refer to Note 19, *Subsequent Events*.

Basis of Presentation – The accompanying consolidated financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The accompanying consolidated financial statements include the Company, and all our majority or wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Note 2. Significant accounting policies

The following is a summary of the significant accounting policies and principles used in the preparation of the consolidated financial statements:

Use of Estimates

The preparation of our consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as contingent assets and liabilities, as of the date of the consolidated financial statements and the reported amounts of revenue and expenses for the reporting periods then ended. Actual results could vary from the estimates and assumptions that were used. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, and makes adjustments when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from those estimates and assumptions. Significant changes, if any, in those estimates and assumptions will be reflected in the consolidated financial statements in future periods.

Significant estimates embedded in the consolidated financial statements include, but not limited to, revenue recognition, impairment analysis of goodwill, depletion of salt reserves, and impairment of long-lived assets and finite-lived intangible assets.

Revenue Recognition

Nature of Revenue Source - The Company manufactures and sells a range of branded and private label evaporated salt products to nationwide retailers, pharmaceutical companies, foodservice operators, and independent distributors. When the Company enters into a sale arrangement with a customer, it believes it is probable that it will collect substantially all the consideration to which it will be entitled in exchange for the goods that will be transferred to the customer. The Company's customer contracts identify the product, quantity, price, payment terms, and final delivery terms. Payment terms sometimes include early-pay discounts. Although some payment terms may be extended, no terms beyond one year are granted at contract inception.

The Company determines revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, the Company satisfies a performance obligation.

Revenue Recognition - Revenue is recognized at the point in time when control is transferred to the customer. In general, control transfers to a customer when the product is shipped or delivered to the customer based upon applicable shipping terms, as the customer can direct the use and obtain substantially all the remaining benefits from the product at this point in time. The Company's revenue is reported as net revenue and is measured as the determinable transaction price, net of any variable consideration such as discounts, sales incentives, rights to return product, and any taxes collected from customers and remitted to governmental authorities.

Performance Obligations - A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers*. The contract's transaction price is allocated to the performance obligations and recognized as revenue when the performance obligations are satisfied. Substantially all our contracts are of a short-term nature and contain a single performance obligation. Shipping and handling costs associated with outbound freight, including shipping and handling costs after control over a product is transferred to a customer are accounted for as a fulfillment cost as incurred and are not considered to be a separate performance obligation. Shipping and handling costs recorded as a component of cost of revenues were approximately \$9.5 million and \$9.6 million for the years ended December 31, 2025 and 2024, respectively.

Contract Estimates - Most contracts include some form of variable consideration. The most common forms of variable consideration include discounts, rebates, and sales returns and allowances. Variable consideration is treated as a reduction in revenue when product revenue is recognized. The Company uses the most likely amount method to determine the variable consideration. The Company believes there will not be significant changes to estimates of variable consideration when any related uncertainties are resolved with customers. The Company reviews and updates its estimates and related accruals of variable consideration each reporting period based on the terms of the agreements, historical experience, and any recent changes in the market. Any uncertainties in the ultimate resolution of variable consideration due to factors outside of the Company's influence are typically resolved within a short timeframe therefore not requiring any additional constraint on the variable consideration.

Approximately 99% of the Company's revenue are generated from North America, and 93% of which is from domestic sales for the years ended December 31, 2025 and 2024. The Company offers customers limited right of return for its non-conforming products in the event of defects. Customer remedies may include either a cash refund or product exchange. Accordingly, the estimated right of return and related refund liability is recorded as a reduction in revenue. Return estimates are reviewed and updated in each reporting period based on historical sales and return experiences. Contract asset and liability balances as of December 31, 2025 and 2024 are immaterial.

Cost of Revenue

Cost of revenue reflects the costs to produce our products, which primarily consists of labor, employee benefits, materials, depreciation and depletion, shipping and handling, and overhead. Cost of revenue is capitalized in inventory and expensed when control is transferred to the customer.

Accounts Receivable, net and Allowance for Expected Credit Losses

Accounts receivable, net of allowance are uncollateralized customer obligations billed under contract terms. Accounts receivables are stated at their net realizable value. The Company estimates an allowance for credit losses based upon the evaluation of several factors including related ages of past due receivables, customer type, customer credit worthiness, knowledge of a customer's financial conditions, historical collection experience, current economic factors, and other factors relevant to assessing the expected credit losses. The Company records uncollectible amounts against the allowance for credit losses once management determines the amount to be uncollectible.

Cash and Cash Equivalents

The Company considers cash on deposit and all highly liquid investments and securities with maturities of three months or less at the time of purchase to be considered cash equivalents. The Company maintains its cash and cash equivalents in accounts in various banks and financial institutions.

Concentration of Credit and Customer Risk

The Company's financial instruments that are exposed to concentrations of credit risk consist of cash and accounts receivable.

Cash balances at various times during the year may exceed the amount insured by the Federal Deposit Insurance Corporation. The Company monitors the credit ratings of financial institutions where its cash deposits are held, and has not incurred any losses related to such deposits.

The Company can, at times, be subject to a concentration of credit risk with respect to outstanding accounts receivable. The Company's customers are located throughout the United States through various channels including national retail chains, pharmaceutical companies, food service operators, and independent distributors. Although the Company generally grants credit without collateral, management believes that its contract acceptance, billing and collection policies are adequate to minimize material credit risk. The Company has one major customer which accounted for over 10% of accounts receivable as of December 31, 2025 and December 31, 2024. The Company also has one major customer, which accounts for over 10% of revenue for the years ended December 31, 2025 and December 31, 2024.

Inventories and Other Inventories

Salt is reported as inventory at the point in time it is extracted from the brine well. Salt inventories, packaging, supplies, and maintenance materials are valued at the lower of cost or net realizable value, with cost determined on standard costing method. Substantially all costs associated with the production of finished goods, such as labor, supplies, equipment cost, inbound freight and overhead (including depletion of salt reserves), are captured as inventory costs.

Maintenance materials are expensed as consumed or capitalized into plant, property and equipment if it meets the criteria of a capital expenditure. Additionally, maintenance materials that are not expected to be used in the next twelve months from the balance sheet date are recorded as other inventories in the Consolidated Balance Sheets.

Management monitors inventory levels and adjusts valuation for slow-moving, shrinkage, obsolescence, and markdowns. The Company accounts for slow-moving or obsolete inventory that is established based on management's estimates of the net realizable value of the related products at the end of each reporting period.

Plant, Property and Equipment, Net

Property and equipment is stated at cost less accumulated depreciation and depletion. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense. When depreciable properties are retired or sold, the cost and related accumulated depreciation is eliminated from the accounts and any resulting gain or loss is reflected in the Company's Consolidated Income Statements. Depreciation is provided using the straight-line method, based on the useful lives of assets which range from three to twenty years.

Plant, property and equipment also includes salt reserves, which consist of brine fields and underground salt bed owned by the Company. Salt reserves are depleted on a units-of-production basis based on the estimated annual consumption as extraction of reserves takes place.

The following table summarizes the estimated useful lives of the Company's different classes of plant, property and equipment:

	<u>Years</u>
Buildings and improvements	10 - 20
Machinery and equipment	3 -14

Construction in Process (CIP) represents the accumulated costs of construction and development for assets that are not yet completed and ready for their intended use. CIP is recorded as plant, property and equipment in the consolidated financial statements and is not depreciated until the asset is placed into service. Borrowing costs are recognized, as an expense, in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset when it is probable that they will result in future economic benefits to the entity and that the costs can be measured reliably. The Company capitalized interest cost of \$0.2 million for both years ended December 31, 2025 and 2024. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss.

Leases

The Company determines if an arrangement is a lease at its inception. In certain of the Company's lease arrangements, judgment is required in determining if a contract contains a lease. For these arrangements, there is judgment in evaluating if the arrangement involves an identified asset that is physically distinct or whether the Company has the right to substantially all of the capacity of an identified asset that is not physically distinct. In arrangements that involve an identified asset, there is also judgment in evaluating if the Company has the right to direct the use of that asset.

The Company determines whether an arrangement is or contains a lease, its classification, and its term at the lease commencement date. The Company leases office space, warehouses, and equipment under non-cancelable operating and finance leases. A lease is classified as a finance lease if it transfers ownership, includes a purchase option reasonably certain to be exercised, covers a major portion of the asset's economic life, has payments that approximate substantially all of the asset's fair value, or involves an asset of specialized nature. Leases with a term greater than one year will be recognized on the Consolidated Balance Sheets as right-of-use (ROU) assets, current lease liabilities, and if applicable, long-term lease liabilities. The Company includes renewal options to extend the lease term where it is reasonably certain that it will exercise these options. Lease liabilities and the corresponding ROU assets are recorded based on the present values of lease payments over the lease term. The interest rate implicit in the Company's leases are not readily determinable. As such, the Company uses its incremental borrowing rate as the discount rate, which approximates the interest rate at which the Company could borrow on a collateralized basis with similar terms and payments and in similar economic environments. The Company's leases have remaining terms ranging from 1 to 5 years, with some of those leases including options that grant the Company the ability to renew or extend the lease term. When determining the lease term, the Company does not include periods covered by the renewal options unless they are reasonably certain to exercise such renewal options.

Leases with an initial term of 12 months or less are not recorded on the Consolidated Balance Sheets. The Company recognizes lease expense for these leases on a straight-line basis over the lease term. The Company accounts for lease and non-lease components, principally common area maintenance for its facilities leases, as a single lease component for its facilities leases. Variable lease costs represent additional expenses incurred by the Company that are not included in the lease payment. Variable lease costs include maintenance charges, taxes, insurance, and other similar costs, and are recorded within cost of revenue and selling, general and administrative expense on the Consolidated Income Statements for the years ended December 31, 2025 and 2024.

Debt Issuance Costs

Debt issuance costs are amortized using the effective interest method over the term of the related borrowing agreement and the amortization is included in interest expense within the Consolidated Income Statements. The unamortized portion of deferred financing fees associated with long-term borrowings are shown netted against the Company's outstanding long-term debt.

Environmental Cost

Environmental costs, other than those of a capital nature, are accrued at the time when exposure becomes known, and costs can be reasonably estimated. Costs are accrued based upon management's estimates of all direct costs. Amounts accrued for environmental matters were not material as of December 31, 2025 and 2024.

Asset Retirement Obligations

Legal obligations associated with the retirement of long-lived assets are reflected at their estimated fair value, with a corresponding charge to cost of goods sold, at the time they are incurred. Asset retirement obligations (ARO) primarily consist of spending estimates related to capping brine wells and support facilities in accordance with federal and state reclamation laws as defined by each mining permit. The Company estimates and records the fair value of a liability for an asset retirement obligation in the period in which it is incurred and a corresponding increase in the carrying amount of the related long-lived asset. The liability is accreted to its present value each period and the capitalized cost is amortized using the units-of-production method over estimated recoverable reserves upon commencement of salt extraction. The amortized cost is included in the cost of revenue in the Consolidated Income Statements.

Finite-lived Intangible Assets and Long-lived Assets

Finite-lived intangible assets acquired by the Company are initially recorded at fair value and amortized using the straight-line method to distribute the initial value of the assets over the estimated useful lives, which management has determined to be fifteen years.

The Company reviews long-lived assets including right-of-use assets and finite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset might not be recoverable. Recoverability of assets held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the use and eventual disposition of the asset. If such assets are considered impaired, the impairment recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value.

There were no impairment indicators of long-lived assets or finite-lived intangibles for the years ended December 31, 2025 and 2024.

Goodwill

Goodwill consists of the excess cost of an acquired business over the fair market value of the underlying net assets. We review goodwill annually for impairment, or more frequently if impairment indicators arise. We do not amortize such assets.

The Company performs an annual impairment test as of October 1 of each year or more frequently if events or changes in circumstances indicate that the asset may be impaired. As our business is highly integrated and its components have similar economic characteristics, we have concluded we operate as one reporting unit at the entity level. We evaluate goodwill for potential impairment on an annual basis or when if indicators of impairment exist during the year. When we evaluate goodwill for potential impairment, generally, we first perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. A qualitative assessment may include, but is not limited to, reviewing factors such as macroeconomic conditions, industry and market considerations, cost factors, financial performance and other entity or reporting unit specific events. If we determine qualitatively that it is more likely than not that the fair value of a reporting unit is less than its carrying value, or if we decide to bypass the qualitative assessment, we perform a quantitative analysis. The quantitative analysis is used to identify both the existence of impairment and the amount of impairment loss by comparing the estimated fair value of a reporting unit to its carrying value. The estimated fair value is based on forward-looking estimates of performance and cash flows of our reporting unit, which are based on historical operating results, adjusted for current and expected future market conditions, as well as various internal projections and external sources. If the carrying value of the reporting unit exceeds its estimated fair value, an impairment loss would be recognized in our Consolidated Income Statements in an amount equal to the excess of the carrying value over the estimated fair value, limited to the total amount of goodwill allocated to that reporting unit.

We performed our annual impairment analysis for the years ended December 31, 2025 and 2024 and did not identify any indicators of impairment.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs amounted to \$0.1 million and \$0.2 million for the years ended December 31, 2025 and 2024, respectively, and are included within selling, general and administrative expenses in the Consolidated Income Statements.

Unit-based Compensation

The Company accounts for unit-based compensation by recording expenses using the fair value of Class B unit awards at the time of grant. In estimating the fair value of the Class B units granted, the Company utilized the option pricing model (“OPM”), in the form of a single stochastic valuation process applying the Black-Scholes Pricing Model (“BSPM”), along with the *Monte-Carlo* simulation model (“MCSM”). The BSPM and MCSM provide the ability to analyze financial instruments within a complex capital structure and whose values derived from variable significant inputs and assumptions along with future financial outcomes upon future events such as change of control or capital raise (such as an IPO). The application of the valuation method involves inputs and assumptions that are judgmental and highly sensitive.

The Company recognizes expenses associated with such Class B unit awards over the service period when the grant is service based. The unit-based compensation expense for performance-based Class B units is recognized when management determines that it is probable that the performance criteria is met and if and only if participant has been continuously employed by or continuously providing services to the Company from the vesting start date through the date of which the performance criteria is met. The Company's accounting policy is to recognize forfeitures as they occur. The Company may make cash payments to repurchase vested Class B units and forfeit the unvested Class B units due to termination or departure of an employee or member of the Board of Directors. Upon the repurchase, the Company records the repurchase price (which under the terms of the grant agreements will be at fair value) as a reduction of equity, and the previously recognized compensation expenses for unvested Class B units are reversed.

Subscription Note Receivable

The Company may issue Class A units to employees and receive subscription notes receivable. The subscription notes receivable is repaid through cash upon receipt of annual bonus. The notes may also be voluntarily prepaid at any time without penalty. In addition, the notes require mandatory prepayment, without premium or penalty, upon the purchaser's receipt of any cash proceeds related to the securities, including cash distributions (other than tax distributions) or transfers of such securities, in an amount equal to the proceeds received. Subscription notes receivable is classified as a deduction from Member's equity within the Statement of Changes in Members' Equity.

Noncontrolling Parent Interest

Emerald Lake together with Emerald Lake Pearl Acquisition, LP, Emerald Lake Pearl Acquisition-A, LP, and Emerald Lake Pearl Holding LLC owns approximately 99.5% of the Class A units of the Parent Holdings through Aggregator, which holds the 1% noncontrolling parent interest in Intermediate Holdings. Net income or loss attributable to the noncontrolling parent interest on the Consolidated Income Statements represents the portion of earnings or losses attributable to the interest in our subsidiaries held by Aggregator.

Earnings per Unit (EPU)

As of December 31, 2025 and 2024, the Company has outstanding subscription notes receivable from members when certain Class A units were issued. The Company concluded that it 1) can cancel the Class A units if the member defaults on the subscription notes receivable and (2) intends to exercise this cancellation right. For EPU calculation purposes, the Company treats the unpaid Class A units that are issued and legally outstanding in the same manner as an option. The unpaid Class A units are issued and legally outstanding, and have the same distribution and participation rights as the paid Class A units. Basic earnings per unit for the years ended December 31, 2025 and 2024 are calculated using the two-class method. The two-class method requires an allocation of earnings to all securities (Class A and Class B units) that participate in earnings to the extent that each such security may share in the Company's earnings. Basic earnings per unit are calculated by dividing net income attributable to Parent Holdings Class A members by the weighted average number of Class A units.

Diluted earnings per unit for the years ended December 31, 2025 and 2024 are calculated by applying the two-class method for participating securities and then incorporating the dilutive effects of other potential Class A units, determined using the treasury stock method, to arrive at the most dilutive EPU. The two-class method uses net income available to Class A members and assumes conversion of all potential units other than the participating securities. There were no dilutive securities outstanding as of December 31, 2025 and 2024.

Income Taxes

The Company is a limited liability company formed under state statutes and taxed for federal and state purposes as a partnership. Therefore, Intermediate Holdings, the direct sole member of the Company, reports the Company's taxable income or loss on the Intermediate Holdings' respective tax return. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements for federal and state income taxes.

The Company accounts for uncertain tax positions using a “more-likely-than-not” threshold. A tax benefit from an uncertain tax position is recognized if it is more-likely-than-not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position, or the statute of limitations concerning such issues lapses. The Company determined there were no uncertain tax provisions, interest or penalties as of December 31, 2025 and 2024. If there are any interest or penalties, they are expensed as incurred. The Company does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months.

Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency (USD) using exchange rates prevailing at the dates of the transactions. Gains and losses on foreign currency transactions are recognized in Consolidated Income Statements.

Segment

The Company operates in one segment based upon the financial information used by its Chief Operating Decision Maker (“CODM”) in evaluating the financial performance of its business and allocating resources. The single segment represents the Company’s core business of selling salt products to its customers. See Note 18 *Segment Information* for further information on the Company’s reportable segment.

Recent Accounting Pronouncements

Accounting guidance recently adopted

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* (“ASU 2023-07”), which requires all public entities, including public entities with a single reportable segment, to provide, in interim and annual periods, one or more measures of segment profit or loss used by the chief operating decision maker to allocate resources and assess performance. Additionally, the standard requires disclosures of significant segment expenses and other segment items as well as incremental qualitative disclosures.

The Company adopted ASU 2023-07 effective December 31, 2024, on a retrospective basis. The adoption of 2023-07 did not change the way that the Company identifies its reportable segments and, as a result, did not have a material impact on the Company’s segment-related disclosures. Refer to Note 18 *Segment Information* for further information on the Company’s reportable segment.

Accounting guidance not yet adopted

In November 2024, the Financial Accounting Standards Board (“FASB”) issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures* (Subtopic 220-40): *Disaggregation of Income Statement Expenses* (“ASU 2024-03”) and in January 2025, the FASB issued ASU No. 2025-01, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures* (Subtopic 220-40): *Clarifying the Effective Date*, which clarified the effective date of ASU 2024-03. ASU 2024-03 will require us to disclose the amounts of purchases of inventory, employee compensation, depreciation and intangible asset amortization, as applicable, included in certain expense captions in the Consolidated Income Statements, as well as qualitatively describe remaining amounts included in those captions. ASU 2024-03 will also require us to disclose both the amount and the Company’s definition of selling expenses. ASU 2024-03 is effective for public business entities for annual periods beginning after December 15, 2026. We will adopt ASU 2024-03 in our consolidated financial statements as of and for the year ending December 31, 2027 using a prospective transition method. The Company does not expect the adoption to materially affect its consolidated financial position, results of operations, or cash flows, however anticipates incremental disclosures in our consolidated financial statements to provide greater transparency into the composition of expense line items.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets* (“ASU 2025-05”). ASU 2025 amends the guidance in ASC 326 to simplify the estimation of credit losses on current accounts receivable and current contract assets arising from transactions accounted for under ASC 606. The amendments allow all entities to elect a practical expedient to assume that the current conditions as of the balance sheet date will remain unchanged for the remaining life of the asset when developing a reasonable and supportable forecast as part of estimating expected credit losses on these assets. Entities are required to disclose their practical expedient and accounting policy elections. The amendments are effective for fiscal years beginning after December 15, 2025, and interim periods within those fiscal years. We will adopt ASU 2025-5 in our consolidated financial statements as of and for the year ending December 31, 2026. We do not anticipate significant impact in adopting this standard.

US SALT PARENT HOLDINGS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements* (“ASU 2025-11”), which is intended to improve the navigability of the guidance in ASC 270 and clarify when it applies. The ASU 2025-11 also addresses the form and content of such interim financial statements, adds lists to ASC 270 of the interim disclosures required by all other Codification topics, and establishes a principle under which an entity must “disclose events since the end of the last annual reporting period that have a material impact on the entity. Key improvements for the amendments include clarifying the interaction between interim reporting requirements and annual disclosure requirements; improving consistency in terminology and structure within Topic 270; correcting outdated references and aligning interim disclosure guidance with related topics across the Codification; and enhancing clarity around interim period measurement principles to reduce diversity in practice. The amendments are effective for fiscal years beginning after December 15, 2026, including interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the impact of ASU 2025-11, but does not expect the adoption to have a material effect on its consolidated financial statements.

In December 2025, the FASB issued ASU 2025-12, *Codification Improvements* (“ASU 2025-12”). The ASU 2025-12 addresses 33 specific issues within the FASB Accounting Standards Codification to enhance clarity, correct errors, and improve consistency and usability for all reporting entities. The amendments are effective for annual periods beginning after December 15, 2026. Early adoption is allowed on an issue-by-issue basis. We will adopt ASU 2025-12 in our consolidated financial statements as of and for the year ending December 31, 2027, but do not expect the adoption to have a material effect on our consolidated financial statements.

The Company continues to monitor new accounting pronouncements issued by the FASB and does not believe any accounting pronouncements issued through the date of this report will have a material impact on the Company’s consolidated financial statements.

Note 3. Accounts receivable

Accounts receivable, net of allowance for expected credit losses, is as follows:

	December 31,	
	2025	2024
Accounts receivables	\$ 12,209,447	\$ 13,927,099
Less: allowance for expected credit losses	(73,990)	(412,392)
Total	\$ 12,135,457	\$ 13,514,707

A roll forward of the allowance for expected credit losses is presented below:

	Year ended December 31,	
	2025	2024
Beginning balance	\$ 412,392	\$ 178,033
Bad debt expense	58,087	234,359
Write-offs	(396,489)	-
Total	\$ 73,990	\$ 412,392

US SALT PARENT HOLDINGS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

Note 4. Inventories

Inventories are as follows:

	December 31,	
	2025	2024
Finished goods	\$ 2,398,036	\$ 2,447,002
Packaging and supplies	5,443,175	3,934,524
Maintenance materials	3,021,719	2,485,517
Total	<u>\$ 10,862,930</u>	<u>\$ 8,867,043</u>

Maintenance materials exclude certain materials of \$5.1 and \$4.8 million as of December 31, 2025 and 2024, respectively, that are not expected to be consumed within the next twelve months. These amounts are classified under other inventories in the Consolidated Balance Sheets. Finished goods are shown at net realizable amount which includes write downs for obsolescence of \$0.3 million and \$0.2 million as of December 31, 2025 and 2024.

In September 2024, the Company incurred loss due to fire in one of its leased warehouses. As a result of the incident, the Company wrote off approximately \$0.8 million of inventory, which was fully recovered from the insurance.

Note 5. Prepaid expenses

Prepaid expenses are as follows:

	December 31,	
	2025	2024
Prepaid insurance	\$ 681,515	\$ 751,562
Prepaid real estate taxes	56,596	57,526
Prepaid health benefits	31,233	31,233
Other prepaid expenses	243,624	228,507
Total	<u>\$ 1,012,968</u>	<u>\$ 1,068,828</u>

Note 6. Plant, property and equipment, net

Plant, property and equipment, net are as follows:

	December 31,	
	2025	2024
Land	\$ 2,000,900	\$ 2,000,900
Buildings and improvements	18,940,451	18,212,581
Machinery and equipment	70,968,617	58,826,588
Salt reserves	275,286,068	275,302,068
Construction in process	2,181,198	7,948,034
	<u>369,377,234</u>	<u>362,290,171</u>
Accumulated depreciation and depletion	(47,958,935)	(34,229,730)
	<u>\$ 321,418,299</u>	<u>\$ 328,060,441</u>

Depreciation and depletion expense are included in the following financial statement line items in the Consolidated Income Statements:

	Year ended December 31,	
	2025	2024
Cost of revenue	\$ 13,509,690	\$ 11,690,002
Selling, general and administrative expense	227,185	187,277
Total	<u>\$ 13,736,875</u>	<u>\$ 11,877,279</u>

The Company recognized a loss from disposal of \$39 thousand and \$0.3 million on the Consolidated Income Statements for the years ended December 2025 and 2024, respectively.

Note 7. Goodwill and Intangible assets

Goodwill

Goodwill as of December 31, 2025 and 2024 amounted to \$28.1 million for both years. There was no impairment of goodwill for the years ended December 31, 2025 and 2024.

Intangible Assets

Intangible assets and related accumulated amortization which are included in intangible assets, net in the Consolidated Balance Sheets are as follows:

	December 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Amount
Tradename	\$ 21,800,000	\$ (6,731,456)	\$ 15,068,544
Customer relationships	2,400,000	(693,008)	1,706,992
	<u>\$ 24,200,000</u>	<u>\$ (7,424,464)</u>	<u>\$ 16,775,536</u>

	December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Amount
Tradename	\$ 21,800,000	\$ (5,219,318)	\$ 16,580,682
Customer relationships	2,400,000	(537,333)	1,862,667
	<u>\$ 24,200,000</u>	<u>\$ (5,756,651)</u>	<u>\$ 18,443,349</u>

Amortization expense of the finite-lived intangible assets for the years ended December 31, 2025 and 2024 was \$1.7 million, and is included in selling, general and administrative expenses in the Consolidated Income Statements. The estimated net amortization expense for the finite-lived intangible assets for the next five years is \$1.7 million per year, and \$8.3 million thereafter. The remaining useful lives for the intangible assets is 10 years.

Note 8. Accrued liabilities

Accrued liabilities consisted of the following:

	December 31,	
	2025	2024
Accrued payroll, bonus and employee benefits	\$ 3,898,936	\$ 3,816,973
Insurance accruals	492,716	484,107
Other accruals	1,994,256	852,737
Total	<u>\$ 6,385,908</u>	<u>\$ 5,153,817</u>

Note 9. Asset retirement obligations

The following summarizes the changes in the asset retirement obligation during the period:

	Year ended December 31,	
	2025	2024
Asset retirement obligation, beginning of year	\$ 751,834	\$ 549,171
Liabilities incurred	-	124,184
Changes in estimated obligations	(16,000)	-
Accretion of expense	70,965	78,479
Asset retirement obligation, end of year	\$ 806,799	\$ 751,834

In connection with certain contracts, the Company is required to hold surety bonds. These bonds are supported by a general agreement of indemnity in favor of the sureties. As of December 31, 2025 and 2024, the Company had surety bonds outstanding with an aggregate stated amount of \$1.1 million. The bonds relate primarily to the salt well plugging projects and generally expire and are renewed annually.

The Company's estimated abandonment costs related to plugging and abandonment of injection wells under these surety bonds are reported as part of asset retirement obligation in the Consolidated Balance Sheets. As of December 31, 2025 and 2024, management has not identified any defaults, and no accrual related to these bonds has been recorded. Bond premiums paid are recorded as prepaid expenses and amortized over the period of benefit.

Note 10. Long-term debt

Long-term debt consists of the following:

	December 31,	
	2025	2024
Term loan	\$ 206,720,000	\$ 220,040,000
Unamortized debt issuance	(1,238,515)	(1,943,328)
Current portion	(2,320,000)	(2,320,000)
Long-term portion	\$ 203,161,485	\$ 215,776,672

In July 2021, the Company entered into a credit agreement with Ares Capital Corporation, as the administrative agent, and other parties thereto. The credit agreement consists of a \$232 million term loan, and up to \$25 million of revolving line of credit.

Interest rate for the term loan and revolving line of credit as of December 31, 2025 was 9.4%, which was SOFR plus 5.40%. Interest rate for the term loan and revolving line of credit as of December 31, 2024 was 10%, which was SOFR plus 5.40%. Interest rate for the revolving line of credit is the greater of 4.50% plus prime rate, NYFRB (New York Federal Reserve Bank) rate plus 5.00% or SOFR (subject to .75% floor) plus 5.50%-5.65%.

US SALT PARENT HOLDINGS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

The term loan requires quarterly principal payments of \$580 thousand commencing on March 31, 2022 through maturity date of July 19, 2028, at which time the remaining principal balance is due. The term loan is subject to mandatory excess cash flow payments commencing for the year ended December 31, 2022 as defined in the credit agreement, not to exceed \$5 million for any fiscal year. As of December 31, 2025 and 2024, the Company was not required to make additional term loan repayments due to Excess Cash Flow for the years ended December 31, 2025 and 2024. The revolving line of credit expires on July 19, 2026 and is subject to commitment fee of 0.50% per annum. The Company had no borrowings outstanding on the revolving line of credit as of December 31, 2025 and 2024. The unused amount of credit available under this facility is \$25.0 million as of December 31, 2025 and 2024.

The term loan and the revolving line of credit are secured by substantially all of the assets of the Company and subject to certain financial covenants. The Company was in compliance with all financial covenants as of December 31, 2025 and 2024.

In relation to the credit agreement, the Company paid debt issuance cost of \$5.1 million, which is amortized over the life of the credit agreement using effective interest rate of 6.83%. Amortization of debt issuance cost for the years ended December 31, 2025 and 2024 was \$0.7 million and \$0.8 million, respectively, and is included in interest expense in the Consolidated Income Statements.

The following table summarizes the annual maturities of the principal amount of total debt due as of December 31:

2026	\$ 2,320,000
2027	2,320,000
2028	202,080,000
	<u>\$ 206,720,000</u>

Note 11. Fair value measurement

U.S. GAAP establishes a three-tier fair value hierarchy to classify and disclose all assets and liabilities measured at fair value on a recurring basis, as well as assets and liabilities measured at fair value on a non-recurring basis, in periods subsequent to their initial measurement. The hierarchy requires us to use observable inputs when available and to minimize the use of unobservable inputs when determining fair value. The three tiers are defined as follows:

- Level 1 - Observable inputs based on unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3 - Unobservable inputs for which there is little or no market data, and which require us to develop our own estimates and assumptions reflecting those that a market participant would use.

The asset 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs. There were no instruments measured at fair value on a recurring basis using significant unobservable inputs during the years ended December 31, 2025 and 2024.

US SALT PARENT HOLDINGS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

The valuation techniques that may be used to measure fair value are as follows:

- Market approach - Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- Income approach - Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about those future amounts; and
- Cost approach - Based on the amount that currently would be required to replace the service capacity of an asset (i.e., replacement cost).

All of our money market funds are classified within Level I of the fair value hierarchy because they were valued using quoted prices in active markets.

Our cash and cash equivalents consisted of the following:

	December 31, 2025	
	Carrying Value	Fair Value
Cash	\$ 155,982	\$ 155,982
Money Market funds	10,649,748	10,649,748
Total cash and cash equivalents	\$ 10,805,730	\$ 10,805,730
	December 31, 2024	
	Carrying Value	Fair Value
Cash	\$ 179,541	\$ 179,541
Money Market funds	7,182,490	7,182,490
Total cash and cash equivalents	7,362,031	7,362,031

Disclosure of Fair Values

The carrying amounts of accounts receivable, accounts payable and accrued expenses approximate their fair value as of December 31, 2025 and 2024 due to the relatively short duration of these instruments. Additionally, the carrying value of our debt associated with the term loan facility approximates fair value because the interest rates are variable and reset on relatively short durations to then-market rates.

Note 12. Members' equity

Members' units

The Company is authorized to issue Class A units and Class B units. There is no set number for authorized units and no par value is assigned to Class A and Class B units. The Company may issue additional units, including Class B units as management incentive units as approved by the Board of Directors. Class A units represent capital interests and are entitled to priority distributions and liquidation proceeds until invested capital has been returned. Class B units are generally issued as management incentive (profit) interests and participate in the Company's residual economics only after applicable participation thresholds and vesting conditions are satisfied.

Voting rights

The authority to manage the business, make decisions, and act on behalf of the Company resides exclusively with the Board of Directors, except for certain limited matters specifically designated as board of governance exceptions. Holders of Class A or Class B units do not possess voting, consent, or approval rights with respect to the management or governance of the Company, other than with respect to these limited exceptions.

The composition of the Company's Board of Directors includes both Emerald Lake-designated Managers ("ELCM Managers") and Additional Managers. For any meeting of the Board of Directors or its committees, at least one ELCM Manager must be present to constitute a quorum. Actions of the Board of Directors may be approved by a majority of votes cast at a meeting where a quorum is present. The ELCM Managers collectively hold a number of votes equal to the greater of (i) the number of ELCM Managers present at the meeting or (ii) one plus the number of non-ELCM Managers present. Each ELCM Manager is entitled to cast a proportionate share of these collective ELCM votes. Each Additional Manager holds one vote. If no ELCM Manager remains present during a meeting, the quorum is lost and no further business may be conducted until a quorum is re-established. The authorized number of Managers on the Board of Directors shall be six members or such other number as determined from time to time by the Board.

Distribution and participation rights

Distributions are made at the discretion of the Board of Directors, subject to the applicable law and the Company's operating agreement. Distributions, other than tax distributions, are subject to contractual priority waterfall. Amounts are distributed first to holders of Class A units until the unreturned capital associated with Class A units has been reduced to zero. Thereafter, remaining distributions are made to holders of Class A units and participating Class B units on a pro rata basis based on the number of such units outstanding. Certain Class B units are subject to participation thresholds (as discussed below) and vesting conditions and are not entitled to participate in distributions until such thresholds have been satisfied and vesting has occurred. As of December 31, 2025 and 2024, the total unreturned capital of Class A unitholders before distributions were \$193.6 million and \$193.5 million, respectively. Tax distributions to Class A unitholders for the years ended December 31, 2025 and 2024 were \$9.2 million and \$3.5 million, respectively.

Liquidation rights

Upon liquidation, dissolution, or winding up of the Company, the Company's assets remaining after the settlement of liabilities are distributed in accordance with the same priority framework applicable to non-liquidating distributions. Liquidation proceeds are distributed first to Class A units until the return of unreturned capital, and thereafter to Class A units and participating Class B units on a pro rata basis. Class B units that have not satisfied applicable participation thresholds or vesting requirements do not participate in liquidation proceeds. Neither class has liquidation preference beyond the contractual priority described above.

Repurchase rights

The Company holds the right, at its discretion, to repurchase outstanding units held by unitholders in accordance with the operating or related grant agreements. The Company may settle the repurchase or redemption price either in cash or through the transfer of equity interests issued by one of its subsidiaries. If the subsidiary repurchases or redeems those securities subsequently, the repurchase redemption price shall equal to the amount of cash or notes, if applicable, equal to the aggregate repurchase or redemption price of the Units to be redeemed or repurchased.

Class B units

Based on the terms of Class B unit grant agreements, Class B units are issued to certain employees and members of the Board of Directors of Parent Holdings. In each of the grant agreements, 40% of the total Class B units granted has service conditions, which is service-based vesting ("time-vesting incentive units"), and 60% of the total Class B units granted has both service and performance conditions ("performance-based incentive units").

Time-vesting incentive units

Time-vesting incentive units vests over the requisite service period of five years, subject to the recipient remaining an employee or member of the Board of Directors of Parent Holdings through each vesting date. Upon the occurrence of the sale of Parent Holdings, all then outstanding time-vesting incentive units which have not yet become vested shall become vested as of the consummation of such sale.

Performance-based incentive units

The performance-based incentive units may vest upon the consummation of a sale of Parent Holdings, provided the participants have remained continuously employed or provided services from the vesting start date through the sale date. Vesting occurs in three tranches as follows: (i) one-third of the performance-based incentive units vest upon the consummation of a sale of the Parent Holdings if the Investor Return is equal to or greater than 2.0; (ii) an additional one-third of the performance-based incentive units vest upon the consummation of a sale of the Parent Holdings if the Investor Return is equal to or greater than 2.5; and (iii) an additional one-third of the performance-based incentive units vest upon the consummation of a sale of the Parent Holdings if the Investor Return is equal to or greater than 3.0. The performance-based incentive units that do not vest upon the consummation of a sale of Parent Holdings shall be immediately forfeited upon such sale of the Parent Holdings with no compensation or other payment due to the employee and the members of the Board of Directors. No expense was recognized for the years ended December 31, 2025 and 2024 for the performance-based incentive units as the Company cannot conclude that it is probable that the performance conditions, such as consummation of the sale of the Parent Holdings, will occur as it is outside the Company's control and is subject to significant external contingencies with a high degree of uncertainty.

Vested Class B units are subject to a "Participation Threshold" before distribution of profit or distribution of sales proceeds from the sale of Parent Holdings. Unless otherwise determined by the Board of Directors of Parent Holdings, on the date of each grant of Class B units, pursuant to a grant made under a Class B unit grant agreement or similar agreement, the Board of Directors of Parent Holdings shall establish an initial "Participation Threshold" amount in respect of each Class B unit granted on such date. The initial Participation Threshold in respect of a Class B unit shall be equal to or greater than (i) the amount that would be distributed with respect to a Class A unit ratably among Class A unitholders until the aggregate unreturned capital of Class A incentive units has been reduced to zero in a hypothetical transaction in which Parent Holdings sold all of its assets for Fair Market Value and distributed the proceeds therefrom in liquidation of Parent Holdings as determined immediately prior to the issuance of such Class B unit, but taking into account all Capital Contributions, if any, with respect to any Unit issued as part of the issuance of such Class B unit) minus (ii) the total Capital Contributions (if any) made by the holder receiving such Class B unit with respect to all Class B unit received by such holder as part of the same issuance. Parent Holdings may periodically update the initial Participation Threshold from time to time as necessary to reflect any adjustments to the Participation Thresholds of outstanding Class B unit required.

Noncontrolling parent interests

Parent Holdings owns 99% of Intermediate Holdings. The remaining 1% interest is held by Aggregator, which is controlled by Emerald Lake. Intermediate Holdings owns 100% of US Salt Holdings, LLC and its operating subsidiaries. Parent Holdings controls Intermediate Holdings and US Salt and, accordingly, consolidates Intermediate Holdings and its subsidiaries in the accompanying consolidated financial statements.

The noncontrolling parent interest represents Aggregator's 1% ownership interest in Intermediate Holdings, which is held by an entity other than Parent Holdings. This interest is presented as noncontrolling parent interest in the Consolidated Income Statements and within equity in the Consolidated Balance Sheets. Our consolidated financial statements recognize the subsidiary's assets and liabilities offset by the noncontrolling interest in total equity.

Note 13. Earnings per unit

The Company uses the two-class method in its computation of EPU. The Company’s paid and unpaid Class A units issued through subscription notes receivable are entitled to receive distributions at the same rate. Under the two-class method, the Company’s net income available to Class A unitholders is allocated between the paid and unpaid Class A units on a fully-distributed basis and reflects residual net income after amounts attributed to noncontrolling interests. In the event of a net loss, the Company determined that both paid and unpaid Class A units share in the Company’s losses, and they share in the losses using the same mechanism as the distributions. The Company also has Class B units whereby vested Class B units are subject to the hurdle of unreturned capital of Class A and a “Participation Threshold” before Class B unitholders receive distribution of profit or distribution of sales proceeds from the sale of Parent Holdings (refer to Note 12, *Members’ equity*). For the years ended December 31, 2025 and 2024, Class B units are participating securities for EPU calculation purposes because they may participate in undistributed earnings with Class A units. However, because the Class B unit participation is contingent on overcoming the hurdle as described above that is not objectively determinable and/or subject to management discretion, the Company does not allocate undistributed earnings to Class B unless and until the contingency occurs. Class B units are non-dilutive securities as the hurdle of unreturned capital of Class A unitholders was not met as of December 31, 2025 and 2024.

Basic and dilutive net income or loss per unit is calculated by dividing undistributed earnings allocated to paid and unpaid Class A unitholders by the weighted average member units outstanding for the respective period. The following table shows the calculation of basic and diluted earnings per unit:

	Year ended December 31,	
	2025	2024
Net income attributable to Parent Holdings Class A unitholders	\$ 11,103,226	\$ 4,976,261
Weighted average Class A units outstanding, basic and diluted	190,942	189,924
Earnings per unit attributable to Class A unitholders, basic and diluted	\$ 58.15	\$ 26.20

Note 14. Unit-based compensation

The Company recognizes compensation expense in its consolidated financial statements because its employees and members of the Board of Directors provide services to the Company and benefit from the Class B units issued to them. The Class B units are issued for no consideration. Refer to Note 12, *Members’ equity* for Class B units.

There were no Class B units granted during the year ended December 31, 2025. The following table presents the key weighted-average assumptions used in determining the fair value for the Class B units granted during the years ended December 31, 2024:

	2024
Fair value of Class B unit	\$ 484.09
Risk-free interest rate	4.27%
Volatility	60.0%
Dividend yield	0.0%
Expected term	3 years

US SALT PARENT HOLDINGS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

The following table summarizes Class B units activity for the years ended December 31, 2025 and 2024:

	Number of Units	Weighted Average Exercise Price	Weighted Average Remaining Term (In Years)
Outstanding, January 1, 2024	17,594	\$ 1,000	3.61
Granted	681	1,000	
Repurchased	(318)	1,000	
Outstanding, December 31, 2024	<u>17,957</u>	<u>1,000</u>	<u>2.68</u>
Granted	-	-	
Repurchased	(239)	1,000	
Forfeited	(756)	1,000	
Outstanding, December 31, 2025	<u>16,962</u>	<u>\$ 1,000</u>	<u>1.75</u>
Exercisable, December 31, 2025	<u>3,362</u>	<u>\$ 1,000</u>	<u>1.57</u>

Under the valuation methodology theory underlying the option pricing model, the fair value of the Class B units is comprised of intrinsic and extrinsic values. Considering the specific features and attributes of the Class B units, the entire fair value of the units is comprised of the underlying extrinsic value (i.e., the present value of the potential future benefits as of the respective measurement dates) while no value is assigned to the intrinsic value as of the years ended December 31, 2025 and 2024. The weighted-average grant date fair value of Class B units granted during the year ended December 31, 2024 was \$381.30.

As of December 31, 2025, the remaining unrecognized compensation expense for the time-vesting Class B unit for each year until fully vested is as:

2026	\$ 447,862
2027	325,219
2028	155,164
2029	-
	<u>\$ 928,245</u>

Note 15. Retirement plan

The Company has a defined contribution 401(k) retirement plan (the “401(k) Plan”), which covers union and non-union employees, to provide retirement benefits for all eligible employees. Employees, who are over 18 years of age and have completed 90 days of services, are eligible to participate in the 401(k) Plan. The 401(k) Plan allows eligible employees to make salary-deferred contributions up to 75% of their pre-tax annual compensation, as defined in the 401(k) Plan, as long as the total contributed does not exceed the maximum annual amount under the Internal Revenue Code. Long-term part-time employees may be eligible to make payroll contributions to the 401(k) Plan if such long-term part-time employees work at least 500 hours but less than 1,000 hours during three consecutive 12-month periods. However, Long-term part-time employees may not be eligible for the employer contributions.

Union Employees – The 401(k) Plan has a profit-sharing feature that the Company makes an annual contribution of 2.5% of the employee’s eligible gross compensation each year from 2019 through 2025 based on the Summary of Benefits and Coverage document. Company contributions vest 100% upon the completion of the first year of service.

Non-Union Employees – The Company makes a semi-monthly Safe Harbor contribution of 100% of the employees’ contribution for that pay period for the first 3% and 50% of the remaining 2%, up to a maximum of 5% of the employee’s eligible gross compensation for that pay period. Company’s Safe Harbor contributions vest 100% immediately.

The Company’s employer portion of contributions for the years ended December 31, 2025 and 2024 were \$0.2 million and \$0.2 million, respectively.

Note 16. Related party transaction

Management Fees

On July 19, 2021, US Salt entered into a Professional Services Agreement with Emerald Lake, who will provide financial and management consulting services. Emerald Lake agreed to consult with the US Salt’s Board of Directors and the oversight of management on business and financial matters including company strategy, budgeting of future investments, acquisition and divestiture strategies, and debt and equity financings. In consideration of Emerald Lake’s services, US Salt pays Emerald Lake an annual management fee (the “Management Fee”) the greater of \$1.9 million or 1% of Emerald Lake Investment. The Management Fee is payable in cash in quarterly installments equal to the greater of \$0.5 million and 0.25% of Emerald Lake Investment. The Management Fees were \$1.9 million for the years ended December 31, 2025 and 2024; and were reported in the selling, general, and administrative expenses in the accompanying Consolidated Income Statements. As of December 31, 2025 and 2024, there were no unpaid management fees in the accompanying Consolidated Balance Sheets.

Class A and Unit Subscription Receivable

The activities of Class A units and subscription notes receivable from employees and Board of Directors of US Salt Parent Holdings LLC are summarized as follows:

US SALT PARENT HOLDINGS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

	Class A Units	Amount	Subscription Receivable
Outstanding, January 1, 2024	1,354	\$ 1,400,000	\$ 475,000
Issuance	65	113,528	-
Repurchase	(250)	(250,000)	-
Cancellation of units purchased and the corresponding subscription notes receivable	(250)	(250,000)	(250,000)
Repayment	-	-	(60,000)
Outstanding, December 31, 2024	919	1,013,528	165,000
Issuance	-	-	-
Repurchase	(25)	(45,000)	(45,000)
Repayment	-	-	(51,549)
Outstanding, December 31, 2025	894	\$ 968,528	\$ 68,451

Note 17. Commitments and Contingencies

Leases

The Company enters into leases for warehouses, rail cars, forklifts, office equipment, office space and certain other types of property and equipment. The leases consist of operating and financing leases expiring in various years through 2030.

The elements of the lease costs were as follows:

	Year ended December 31,	
	2025	2024
Operating lease expense:		
Operating lease expense	\$ 898,587	\$ 857,093
Finance lease expense:		
Amortization of lease assets	\$ 104,145	\$ 92,308
Interest on lease liabilities	47,126	48,857
Total finance lease cost	\$ 151,271	\$ 141,165
Short term lease expense	\$ 396,077	\$ 678,755
Variable lease expense	814,532	383,788
Total lease expense	\$ 2,260,467	\$ 2,060,801

US SALT PARENT HOLDINGS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

Lease term and discount rate information related to leases was as follows:

	Year ended December 31,	
	2025	2024
Weighted-average remaining lease term (in years):		
Operating leases	2.05	2.98
Finance leases	3.84	4.78
Weighted-average discount rate:		
Operating leases	9.81%	11.50%
Finance leases	10.53%	10.64%

Supplemental cash flow information related to leases was as follows:

	Year ended December 31,	
	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance lease (interest payments)	\$ 47,126	\$ 48,857
Operating cash flows from operating leases	\$ 912,634	\$ 850,676
Financing cash flows from finance lease	\$ 91,058	\$ 72,638
Right-of-use assets obtained in exchange for lease liabilities:		
Operating leases	\$ 310,566	\$ 1,243,375
Finance leases	\$ 74,092	\$ -

Future maturities of lease liabilities are as follows as of December 31, 2025:

	Operating Leases	Finance Lease
2026	\$ 769,316	\$ 138,184
2027	326,850	138,184
2028	105,554	111,460
2029	78,054	71,373
2030	-	32,199
Thereafter	-	-
Total future undiscounted lease payments	1,279,774	491,400
Imputed interest	(123,994)	(88,033)
Present value of lease payments	1,155,780	403,367
Current portion	688,711	100,699
Long-term portion of lease payments	\$ 467,069	\$ 302,668

Contingencies

The Company is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the ultimate outcome of these matters will not be material to the Company's consolidated financial position, results of operations, or cash flows.

Commitments

The Company is not contractually committed to any planned capital expenditure until actual orders are placed for equipment or services. As of December 31, 2025 and 2024, the Company had \$13.8 million and \$11.0 million for open equipment and construction contracts, respectively.

Note 18. Segment Information

The Company operates as a single segment represented by our core business of producing evaporated and specialty salts serving consumer, food, pharmaceutical, and industrial customers throughout North America. Our Chief Operating Decision Maker (“CODM”) neither manages the business nor deliberately allocates resources by service line, geography, or end market. One customer accounted for 13.3% and 14.8% of the Company’s total revenue during the years ended December 31, 2025 and 2024, respectively.

The CODM is our Chief Executive Officer. The CODM assesses performance for the Company and decides how to allocate resources based on significant expense categories that contribute to net income (loss), as outlined below. The CODM uses these varying results to prioritize the reinvestment of profits within the Company. These results are also used in assessing the Company’s performance and determining management’s compensation. The CODM does not review assets in evaluating the results of the Company, and therefore, such information is not presented.

The following tables provide the operating financial results of the Company:

	Year ended December 31,	
	2025	2024
Revenue	\$ 132,079,041	\$ 123,088,183
Cost of revenue	69,632,154	68,224,649
Depreciation, amortization and depletion	15,404,688	13,545,093
Selling expense	4,052,768	3,849,290
Administrative expense	4,336,879	3,841,433
Interest expense	21,292,862	24,413,242
Other segment items	6,144,310	4,187,950
Net income (loss)	<u>\$ 11,215,380</u>	<u>\$ 5,026,526</u>
Capital expenditures - purchases of plant, property and equipment	<u>\$ (7,583,778)</u>	<u>\$ (13,387,493)</u>

Other segment items include loss due to casualty; foreign currency gain (loss), unit-based compensation expenses, management fees paid to Emerald Lake, and certain non-recurring expenses including severance expense, and retention bonuses, consulting fees paid to Board of Director, and other consulting fees etc.

Note 19. Subsequent events

Management has performed an analysis of the activities and transactions subsequent to December 31, 2025 to determine the need for any adjustments to and disclosures within the consolidated financial statements for the year ended December 31, 2025. Management has performed their analysis through March 3, 2026, the date the consolidated financial statements were available to be issued.

On January 16, 2026, ContextLogic submitted a registration statement on Form S-1 to the SEC in connection with a rights offering to existing stockholders to purchase up to 14,375,000 shares of common stock at an exercise price of \$8.00 per share representing potential proceeds of approximately \$115 million if fully subscribed. The rights were attached to the underlying common shares and traded together during the offering period under the temporary ticker LOGCD. The rights offering was intended to raise up to \$115 million and support the financing of the Transaction. The rights offering was intended to close immediately prior to the acquisition of Parent Holdings and was not contingent on completion of the Transaction. To support the transaction financing, ContextLogic entered into multiple backstop agreements that obligate certain investors to purchase securities if the rights offering is undersubscribed. The registration statement was accepted on January 20, 2026.

On February 26, 2026, ContextLogic completed the acquisition of the Company for a purchase price of approximately \$907.5 million, subject to customary adjustments, including for cash, debt, and net working capital, which comprised of approximately \$582.3 million in cash consideration (including, among other sources, the use of approximately \$212.6 million in net borrowing proceeds from term loans and approximately \$115.0 million in proceeds from the rights offering) and approximately \$325.2 million in equity rollover consideration. The Company is in the process of evaluating and measuring the identifiable assets acquired, liabilities assumed, and any resulting goodwill in accordance with ASC 805, *Business Combinations*. Due to the timing of the closing relative to the issuance of the Company's consolidated financial statements, the initial accounting for the business combination has not yet been completed, including the preliminary allocation of the purchase price, valuation of acquired intangible assets, and the determination of fair value adjustments, are still being finalized.

Table of Contents

Unaudited Pro Forma Condensed Combined Financial Information	1
Unaudited Pro Forma Condensed Combined Balance Sheet	2
As of December 31, 2025	3
Unaudited Pro Forma Condensed Combined Statement of Operations	4
For the Period ended December 31, 2025	4
Notes to Unaudited Pro Forma Condensed Combined Financial Information	5

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined financial information (the “Unaudited Pro Forma Financial Information”) has been prepared in accordance with Article 11 of Regulation S-X of the SEC based on the historical consolidated financial statements of the Company and US Salt Parent Holdings, LLC, and subsidiaries (such entities, taken together, comprising the salt production, manufacturing and distribution business of US Salt and its subsidiaries (“US Salt” or the “Seller”)) as indicated below, and is intended to provide information about how the Transaction might have affected the Company’s historical consolidated financial statements.

On February 26, 2026, the Company completed the transaction with US Salt pursuant to the Purchase Agreement. US Salt is a leading provider in the evaporated salt market, specializing in the extraction, refinement, and packaging of specialty salts. Its products serve diverse sectors, including retail grocery, pharmaceuticals, industrial applications, and food service. Under the terms of the Purchase Agreement, the Company acquired US Salt for approximately \$922 million (the “consideration transferred”). The cash portion of the consideration transferred (the “cash consideration”) was funded through a combination of \$213 million in new term debt, \$115 million in proceeds from its backstopped rights offering, \$75 million in proceeds from sales of preferred units, and existing cash reserves (see Note 6). Out of the total consideration transferred of \$922 million, the Company settled the sellers’ indebtedness of \$210 million inclusive of accrued interest and unamortized issuance costs. The consideration transferred also includes \$325 million in rollover equity (the “equity consideration”).

The Unaudited Pro Forma Balance Sheet as of December 31, 2025 combines the historical audited consolidated balance sheet of ContextLogic and the historical audited consolidated balance sheet of US Salt, each as of December 31, 2025, and depicts adjustments reflecting the accounting for the Transaction as if it had occurred on that date. The Unaudited Pro Forma Statement of Operations for the year ended December 31, 2025 reflects the combination of (i) the historical audited consolidated statement of operations of ContextLogic for the year ended December 31, 2025, with (ii) the historical audited consolidated statement of operations of US Salt for the year ended December 31, 2025, and depicts the adjustments reflected on the Unaudited Pro Forma Balance Sheet assuming those adjustments were made on January 1, 2025.

The Unaudited Pro Forma Financial Information has been developed from and should be read in conjunction with:

- the accompanying notes to the Unaudited Pro Forma Financial Information;
- the historical audited consolidated financial statements of ContextLogic for the year ended December 31, 2025, included in ContextLogic’s Annual Report on Form 10-K, filed with the SEC on March 5, 2026; and
- the historical audited consolidated financial statements of US Salt for the year ended December 31, 2025, included elsewhere in this Form 8-K.

The adjustments reflected in the Unaudited Pro Forma Financial Information depicting the accounting for the Transaction is presented using the acquisition method of accounting, with ContextLogic as the accounting acquirer and US Salt as the acquiree. Under the acquisition method of accounting, the consideration transferred is allocated to the underlying tangible and intangible assets acquired and liabilities assumed of US Salt based mostly on their respective fair market values with any excess consideration transferred allocated to goodwill.

The Unaudited Pro Forma Financial Information is presented for informational purposes only. The information has been prepared in accordance with Article 11 of Regulation S-X of the SEC as amended by the final rule, Release No. 33-10786 “Amendments to Financial Disclosures about Acquired and Disposed Businesses,” using the assumptions set forth in the notes to the Unaudited Pro Forma Financial Information. Both ContextLogic and US Salt historical financial statements were prepared in accordance with U.S. GAAP and presented in U.S. dollars.

The information is not necessarily indicative of the financial position and results of operations that actually would have been achieved had the Transaction occurred as of the dates indicated herein, nor do they purport to project the future financial position and operating results of the combined company. The Unaudited Pro Forma Financial Information also does not reflect the costs of any integration activities or cost savings or synergies expected to be achieved as a result of the Transaction, and, accordingly, do not attempt to predict or suggest future results.

Unaudited Pro Forma Condensed Combined Balance Sheet
As of December 31, 2025
(In millions of U.S. dollars)

	Historical ContextLogic Holdings Inc.	Historical US Salt Parent Holdings, LLC	Purchase Accounting and Financing Adjustments	Notes	Pro Forma Combined
Assets					
Current assets					
Cash and cash equivalents	77	11	(597)	2A	35
			141	2A	
			403	6A	
Marketable securities	141	-	(141)	2A	-
Prepaid expenses and other current assets	-	1	-		1
Accounts receivable	-	12	-		12
Inventory	-	11	1	2D	12
Total current assets	<u>218</u>	<u>35</u>	<u>(193)</u>		<u>60</u>
Noncurrent assets					
Property, plant and equipment	-	321	35	2C	356
Goodwill	-	28	922	2A	196
			(328)	2B	
			(35)	2C	
			(1)	2D	
			(205)	2F	
			(185)	2E	
Intangible assets, net	-	17	328	2B	345
Right-of-use asset	-	2	-		2
Other noncurrent assets	-	5	-		5
Total noncurrent assets	<u>-</u>	<u>373</u>	<u>531</u>		<u>904</u>
Total assets	<u>218</u>	<u>408</u>	<u>338</u>		<u>964</u>
Liabilities, Redeemable Non-controlling Interest, and Equity					
Current liabilities					
Accrued liabilities	2	6	20	2I	28
Accounts payable	5	9	-		14
Current portion of lease liability	-	1	-		1
Current maturities of long-term debt	-	2	(2)	2F	2
			2	6A	
Total current liabilities	<u>7</u>	<u>18</u>	<u>20</u>		<u>45</u>

Unaudited Pro Forma Condensed Combined Balance Sheet
As of December 31, 2025
(In millions of U.S. dollars)

	Historical ContextLogic Holdings Inc.	Historical US Salt Parent Holdings, LLC	Purchase Accounting and Financing Adjustments	Notes	Pro Forma Combined
Noncurrent liabilities					
Long-term debt, net of current maturities	-	203	(203)	2F	211
			211	6A	
Lease liabilities, non-current	-	1	-		1
Asset retirement obligation	-	1	-		1
Total noncurrent liabilities	-	205	8		213
Total liabilities	7	223	28		258
Redeemable non-controlling interest	78	-	75	6A	-
			(153)	2H	
Total redeemable noncontrolling interest	78	-	(78)		-
Stockholder's equity					
Additional paid-in capital	3,484	182	325	2A	3,688
			(182)	2E	
			115	6A	
			(236)	2H	
Accumulated deficit	(3,351)	3	(3)	2E	(3,371)
			(20)	2I	
Total stockholder's equity	133	185	(1)		317
Equity attributable to non-redeemable non-controlling interest	-	-	389	2H	389
Total equity	211	185	310		706
Total liabilities, redeemable non-controlling interest, and equity	218	408	338		964

See accompanying notes to unaudited pro forma condensed combined financial information.

Unaudited Pro Forma Condensed Combined Statement of Operations
For the Year ended December 31, 2025
(In millions of U.S. dollars, shares in thousands, except per share data)

	Historical ContextLogic Holdings Inc.	Historical US Salt Parent Holdings, LLC	Purchase Accounting and Financing Adjustments	Notes	Pro Forma Combined
Revenue	-	132	-		132
Cost of revenue	-	83	-		83
Gross profit	-	49	-		49
Operating expenses					
General and administrative	31	16	22	3A	90
			1	3B	
			20	3F	
Total operating expenses	31	16	43		90
Operating income (loss)	(31)	33	(43)		(41)
Interest income (expense), net	8	(21)	13	3C	(18)
			(18)	6B	
Income (loss) before provision for income taxes	(23)	12	(48)		(59)
Provision for income taxes	-	-	-	3D	-
Net income (loss)	(23)	12	(48)		(59)
Adjustments attributable to non-controlling interest	(7)	-	7	3E	-
Net loss (income) attributable to non-controlling interest	1	-	4	3E	5
Net loss per share attributable to common stockholders	(29)	12	(34)		(54)
Net loss per share attributable to common stockholders, basic and diluted	(1.09)				(1.19)
Weighted-average shares used in computing net loss per share attributable to common to stockholders, basic and diluted	26,586				45,285

Notes to Unaudited Pro Forma Condensed Combined Financial Information

Note 1 – Basis of Presentation

The Transaction was accounted for using the acquisition method of accounting, as prescribed in ASC 805, under GAAP, which requires an allocation of the consideration transferred to the assets acquired and liabilities assumed, based on their fair values as of the date of the Transaction. As of the date of this Unaudited Pro Forma Financial Information, ContextLogic has not completed the detailed valuation study necessary to arrive at the required final estimates of the fair value of US Salt's assets to be acquired and liabilities to be assumed and the related allocations of consideration transferred. Upon completion of the valuation procedures, any revisions to the estimated fair values will be reflected in the Company's financial statements, consistent with the acquisition accounting measurement period guidance. The final allocation of the consideration transferred may differ materially from the preliminary pro forma allocation presented herein, pending completion of the valuation analysis and related measurement period adjustments.

Note 2 – Adjustments to the Unaudited Pro Forma Condensed Combined Balance Sheet

The following transaction accounting adjustments depict the accounting for the Transaction and are based on preliminary estimates that could change materially as additional information is obtained.

A. Consideration transferred and preliminary allocation of consideration transferred

Consideration transferred

The consideration transferred was \$922 million as follows:

<i>(In millions of U.S. dollars)</i>	Amount
Estimated equity consideration ¹	\$ 325
Cash consideration ²	597
Total estimated consideration transferred	\$ 922

¹ Equity consideration comprises a combination of 15.48 million shares of the Company and 25.18 million LLC units of its consolidated subsidiary, ContextLogic Holdings, LLC, at an estimated value of \$8.00 per share or unit as of February 26, 2026.

² The existing cash reserves component available for cash consideration includes the proceeds from the sale of marketable securities investments of \$141 million as of December 31, 2025.

Preliminary allocation of consideration transferred

The table below summarizes the preliminary allocation of consideration transferred to the assets acquired and liabilities assumed of US Salt for the purposes of the Unaudited Pro Forma Financial Information reflecting the accounting for the Transaction:

	(In millions of U.S. dollars)
Assets:	
Cash and cash equivalents	\$ 11
Prepaid expenses and other current assets	1
Accounts receivable	12
Inventory	12
Other intangible assets	345
Property, plant and equipment, net	356
Right of use asset	2
Other noncurrent assets	5
Total assets	744
Liabilities:	
Accrued liabilities	6
Accounts payable	9
Current portion of lease liability	1
Deferred taxes liability	-
Lease liabilities, noncurrent	1
Asset retirement obligations	1
Total liabilities	18
Net assets acquired (a)	726
Estimated consideration transferred (b)	922
Estimated goodwill (b) - (a)	\$ 196

B. Estimated fair value of intangible assets adjustments

Represents the net adjustment to the estimated fair value of intangible assets acquired in the Transaction. Preliminary identifiable intangible assets in the Unaudited Pro Forma Financial Information consists of trademarks, customer relationships and contract assets. Management's preliminary estimates represent step ups relating to the strength of US Salt existing in the market for over 100 years and able to diversify their relationships across end markets. The amortization is estimated over the median lives of comparable transactions and is calculated on a straight-line basis over the estimated useful life and is reflected as a pro forma adjustment in the Unaudited Pro Forma Statements of Operations. The identifiable intangible assets and related amortization are preliminary and are based on management's estimates after consideration of similar transactions.

	Estimated Fair Value (In millions of U.S. dollars)	Estimated Useful Life (in years)
Trade name	27	10
Customer relationships	185	15
Contract assets	133	15
Total	345	
Eliminate historical US Salt's assets carrying value	(17)	
Pro forma adjustment	328	

C. Estimated fair value of property, plant and equipment adjustments

Management's preliminary estimate of the fair value of property, plant, and equipment considers a step up of approximately 25% based on fair value adjustments performed on property, plant, and equipment in similar transactions of businesses in US Salt's industry. The \$35 million reflects an adjustment to the fair value estimate of property, plant, and equipment offset by the related increase in depreciation of \$1 million for year ended December 31, 2025.

D. Estimated fair value of inventory adjustments

The adjustment to increase in inventories by \$1 million reflects the adjustments to step up the pro forma balance for US Salt's finished goods, and stockpile inventory to estimated fair value.

E. Elimination of US Salt's historical equity balances adjustments

Represents the elimination of US Salt's historical equity balances.

F. Settlement of US Salt's outstanding indebtedness adjustment

Represents the settlement of US Salt's outstanding indebtedness of \$205 million, net of unamortized debt issuance pursuant to the terms of the Purchase Agreement.

G. Estimated deferred tax asset or liabilities

The income tax impact of the pro forma adjustments is zero due to the net operating loss carryforward position and the full valuation allowance against net deferred tax assets. The Company's income taxes following the completion of the Transaction will be impacted by many factors including the legal entity structure implemented subsequent to the completion of the Transaction and may be materially different from the pro forma results. Adjustments to the Company's valuation allowance as a result of the Transaction, including the associated income tax benefit, are expected to be non-recurring. In determining its valuation allowance, the Company will evaluate all positive and negative evidence supporting its ability to realize its deferred tax assets, including the legal entity structure implemented subsequent to the completion of the Transaction.

H. Estimated non-redeemable non-controlling interest post acquisition

Represents the non-controlling interest in ContextLogic Holdings LLC at the time of the acquisition considering net assets of ContextLogic Holdings LLC at the time of the acquisition and non-controlling interest ownership of approximately 55%. The adjustment to non-controlling interest considers the \$153 million reclassification of ContextLogic Holdings Inc. redeemable non-controlling interest to non-redeemable non-controlling interest:

I. Estimated acquisition related costs

Represents the accrual for incremental estimated transaction costs incurred by the Company of \$20 million.

Note 3 – Adjustments to the Unaudited Pro Forma Condensed Statement of Operations

The following transaction accounting adjustments depict the accounting for the Transaction and are based on preliminary estimates that could change materially as additional information is obtained.

- A. Represents the net adjustment to record amortization expense of \$22 million based on the preliminary estimate of the fair value of the identified intangible assets and the related assigned estimated useful life for the year ended December 31, 2025.
- B. Represents the net adjustment to record depreciation expense of \$1 million based on the preliminary fair value of the identified property, plant, and equipment for the year ended December 31, 2025.
- C. Represents the elimination of US Salt's historical interest expense attributable to the debt settlement (see Note 3C) and elimination of ContextLogic's historical interest income on cash that was used to complete the acquisition.
- D. The income tax impact of the pro forma adjustments is zero due to the net operating loss carryforward position and the full valuation allowance against net deferred tax assets. The Company's income taxes following the completion of the Transaction will be impacted by many factors including the legal entity structure implemented subsequent to the completion of the Transaction and may be materially different from the pro forma results. Adjustments to the Company's valuation allowance as a result of the Transaction, including the associated income tax benefit, are expected to be non-recurring. In determining its valuation allowance, the Company will evaluate all positive and negative evidence supporting its ability to realize its deferred tax assets, including the legal entity structure implemented subsequent to the completion of the Transaction.

- E. Represents net loss attributable to non-controlling interest considering net income (loss) of ContextLogic Holdings LLC at the time of the acquisition, non-controlling interest ownership of approximately 55%, and reversal of historical ContextLogic’s accretion of redeemable non-controlling interest that will not be applicable after the Transaction.
- F. Represents the incremental estimated transaction costs incurred by the Company not reflected within historical financial results of \$20 million.

Note 4 – Significant Accounting Policies

The unaudited pro forma condensed combined financial information has been prepared using the accounting policies outlined in ContextLogic Holdings Inc.’s unaudited condensed consolidated financial statements for the period ended December 31, 2025. Following the completion of the Purchase Agreement, management will conduct a thorough review of US Salt’s accounting policies. At present, management is not aware of any material differences in accounting policies and, therefore, no adjustments have been made to the pro forma financial information for such differences. However, after the Purchase Agreement and the comprehensive review, management may identify policy differences that, once aligned, could materially affect the consolidated financial statements of ContextLogic Holdings Inc.

Note 5 – Net Loss Per Share

The following table sets forth the computation of pro forma basic and diluted net loss per share for the period ended December 31, 2025 under the following scenarios:

<i>(In millions of U.S. dollars, except share and per share data)</i>	Year ended December 31, 2025
Numerator:	
Net loss available to common stockholders—basic and diluted	\$ (54)
Denominator:	
Weighted average common shares outstanding—basic and diluted	26,586
Pro forma adjustment for newly issued shares related to the Transaction ²	18,699
Pro forma basic weighted average common shares—basic and diluted	45,285
Pro forma net loss per common share—basic and diluted	\$ (1.19)

² Pro forma adjustment for newly issued shares is comprised of 15,480 shares of ContextLogic common stock equity consideration (Note 2A) and additional ContextLogic common shares of 3,219 purchased through the Rights Offering inclusive of the Backstop Agreement (Note 6).

Note 6 – Financing Adjustments

A. The Company issued \$213 million of new term debt under the Term Loan Facility, net of debt issuance costs of \$2 million. The new term debt will accrue interest at an annual rate based on Secured Overnight Financing Rate (the “SOFR”) plus 4.25%. Principal repayments on the term debt will amortize in equal quarterly installments, aggregating to 1.00% of the original principal amount annually, with the remaining balance payable upon maturity in seven (7) years. In addition, in March 2025, the Company entered into the Amended and Restated Investment Agreement under which the Company may elect for BCP to purchase 75,000 preferred units for an aggregate consideration transferred of up to \$75 million, which the Company has elected to finance this Purchase Agreement. Furthermore, the Company received \$115 million as proceeds from the Rights Offering, with shortfalls covered by the Backstop Agreements. The pro forma effects of the financing adjustments are as follows:

<i>(In millions of U.S. dollars)</i>	Long-term debt, net	Short-term debt, including current portion of long-term debt	Additional paid-in capital	Non- redeemable non- controlling interest	Cash, cash equivalents and restricted cash
Financing items:					
Term debt	\$ 211	\$ 2	\$ -	\$ -	\$ 213
Rights offering	-	-	115	-	115
Preferred units	-	-	-	75	75
Total	\$ 211	\$ 2	\$ 115	\$ 75	\$ 403

The Company received approximately 3% participation in the rights offering from existing shareholders. A breakdown of funds received from the Rights offering inclusive of the Backstop Agreements is as follows:

<i>(In millions of U.S. dollars, shares in thousands)</i>	Number of Shares	Amount Received
Sources of cash:		
Shareholders – common stock	429	\$ 4
Abrams Capital – common stock	2,789	22
BCP – preferred units	11,156	89
Total		\$ 115

B. Represents an increase to interest expense as shown below:

<i>(In millions of U.S. dollars)</i>	Year ended December 31, 2025
Interest on borrowings under the term loan	\$ 18

- Represents interest expense on the \$213 million of net borrowings assumed under the term loan. Interest expense is calculated using the effective interest rate method, with the weighted-average interest rate equal to 8%. A 1/8 percent variance in the interest rate would result in an impact on net income of less than \$1 million.