

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2020</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2020 or fiscal plan year beginning <u>01/01/2020</u> and ending <u>12/31/2020</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report ☒ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☐ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>APPALACHIAN RAILCAR SERVICES 401(K) PROFIT SHARING PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>002</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/2009</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>01/01/2009</u>	
1b Three-digit plan number (PN) ▶	<u>002</u>				
1c Effective date of plan <u>01/01/2009</u>					
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>APPALACHIAN RAILCAR SERVICES, INC.</u> <u>737 ELEANOR INDUSTRIAL PARK</u> <u>PO BOX 800</u> <u>ELEANOR, WV 25070</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>55-0772909</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>304-586-7085</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>488210</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>55-0772909</u>	2c Plan Sponsor's telephone number <u>304-586-7085</u>	2d Business code (see instructions) <u>488210</u>	
2b Employer Identification Number (EIN) <u>55-0772909</u>					
2c Plan Sponsor's telephone number <u>304-586-7085</u>					
2d Business code (see instructions) <u>488210</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	01/11/2022	KEIR WIANECKI
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.		
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE	Filed with authorized/valid electronic signature.		
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2020)
v. 200204

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN	
5 Total number of participants at the beginning of the plan year		5	465
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year.....		6a(1)	434
a(2) Total number of active participants at the end of the plan year		6a(2)	365
b Retired or separated participants receiving benefits.....		6b	146
c Other retired or separated participants entitled to future benefits		6c	0
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	511
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	0
f Total. Add lines 6d and 6e		6f	511
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	404
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2T 3D 3H			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ <u>1</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2020 Form M-1 annual report. If the plan was not required to file the 2020 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

<div>SCHEDULE A (Form 5500) <div>Department of the Treasury Internal Revenue Service</div><div>Department of Labor Employee Benefits Security Administration</div><div>Pension Benefit Guaranty Corporation</div></div>	<div>Insurance Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div> <div>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).</div>	<div>OMB No. 1210-0110</div> <div>2020</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020		
A Name of plan APPALACHIAN RAILCAR SERVICES 401(K) PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 APPALACHIAN RAILCAR SERVICES, INC.	D Employer Identification Number (EIN) 55-0772909	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions	Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
JOHN HANCOCK LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
01-0233346	65838	134774	475	01/01/2020	12/31/2020

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid 17836	(b) Total amount of fees paid 30
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3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
HUNTINGTON INVESTMENT COMPANY 41 S. HIGH STREET
COLUMBUS, OH 43287

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
12500	0 0		3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
HUNTINGTON RETIREMENT SERVICES 1350 TREAT BLVD, STE 300
WALNUT CREEK, CA 94597

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
3087	0 0		3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

VERISIGHT, INC.

1350 TREAT BLVD, STE 300
WALNUT CREEK, CA 94597

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
2249	0	0	3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

HUNTINGTON NATIONAL BANK

519 MADISON AVE
TOLEDO, OH 43604

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
0	30	0	5

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end	4	
5	Current value of plan's interest under this contract in separate accounts at year end.....	5	

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

b	Premiums paid to carrier	6b	
c	Premiums due but unpaid at the end of the year	6c	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☐ other ▶

b	Balance at the end of the previous year	7b	0
c	Additions: (1) Contributions deposited during the year	7c(1)	
	(2) Dividends and credits.....	7c(2)	
	(3) Interest credited during the year.....	7c(3)	
	(4) Transferred from separate account.....	7c(4)	
	(5) Other (specify below)	7c(5)	
	(6) Total additions	7c(6)	0
d	Total of balance and additions (add lines 7b and 7c(6))	7d	0
e	Deductions:		
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	
	(2) Administration charge made by carrier.....	7e(2)	
	(3) Transferred to separate account.....	7e(3)	
	(4) Other (specify below)	7e(4)	
	(5) Total deductions	7e(5)	0
f	Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	0

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision) **b** ☐ Dental **c** ☐ Vision **d** ☐ Life insurance
e ☐ Temporary disability (accident and sickness) **f** ☐ Long-term disability **g** ☐ Supplemental unemployment **h** ☐ Prescription drug
i ☐ Stop loss (large deductible) **j** ☐ HMO contract **k** ☐ PPO contract **l** ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received	9a(1)		
(2) Increase (decrease) in amount due but unpaid	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3))		9a(4)	0
b Benefit charges (1) Claims paid	9b(1)		
(2) Increase (decrease) in claim reserves	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	0
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	0
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. Specify nature of costs.	10b	

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2020
		This Form is Open to Public Inspection.

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020		
A Name of plan APPALACHIAN RAILCAR SERVICES 401(K) PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 APPALACHIAN RAILCAR SERVICES, INC.	D Employer Identification Number (EIN) 55-0772909	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. ☒ Yes ☐ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
JOHN HANCOCK LIFE INSURANCE
01-0233346

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

HUNTINGTON NATIONAL BANK

31-0966785

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 26 37 64	NONE	31456	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

JOHN HANCOCK

01-0233346

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 28 59 60 62 63 67 68	RECORDKEEPER	4123	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2020 This Form is Open to Public Inspection
For calendar plan year 2020 or fiscal plan year beginning <u>01/01/2020</u> and ending <u>12/31/2020</u>		
A Name of plan <u>APPALACHIAN RAILCAR SERVICES 401(K) PROFIT SHARING PLAN</u>	B Three-digit plan number (PN) ►	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>APPALACHIAN RAILCAR SERVICES, INC.</u>	D Employer Identification Number (EIN) <u>55-0772909</u>	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....		1a	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions		1b(1)	1035310009
(2) Participant contributions.....		1b(2)	2635928333
(3) Other		1b(3)	
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)		1c(1)	
(2) U.S. Government securities		1c(2)	
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred		1c(3)(A)	
(B) All other.....		1c(3)(B)	
(4) Corporate stocks (other than employer securities):			
(A) Preferred		1c(4)(A)	
(B) Common		1c(4)(B)	
(5) Partnership/joint venture interests		1c(5)	
(6) Real estate (other than employer real property)		1c(6)	
(7) Loans (other than to participants).....		1c(7)	
(8) Participant loans		1c(8)	8830
(9) Value of interest in common/collective trusts		1c(9)	
(10) Value of interest in pooled separate accounts		1c(10)	
(11) Value of interest in master trust investment accounts		1c(11)	
(12) Value of interest in 103-12 investment entities		1c(12)	
(13) Value of interest in registered investment companies (e.g., mutual funds)		1c(13)	987266912076115
(14) Value of funds held in insurance company general account (unallocated contracts).....		1c(14)	
(15) Other.....		1c(15)	

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities.....	1d(1)		
(2) Employer real property.....	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	9910264	12114457

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	9910264	12114457
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	160059	
(B) Participants	2a(1)(B)	899609	
(C) Others (including rollovers).....	2a(1)(C)	385708	
(2) Noncash contributions	2a(2)		1445376
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans.....	2b(1)(E)	13	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		13
(2) Dividends: (A) Preferred stock.....	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		1613008
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		3058397

Expenses**e** Benefit payment and payments to provide benefits:

(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	798231	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		798231
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	55973	
(3) Investment advisory and management fees	2i(3)		
(4) Other.....	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		55973
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		854204

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		2204193
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unmodified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: GRAY, GRIFFITH & MAYS, A.C.

(2) EIN: 52-0621482

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2020</div> <div>This Form is Open to Public Inspection.</div>
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For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

<div>A Name of plan APPALACHIAN RAILCAR SERVICES 401(K) PROFIT SHARING PLAN</div>	<div>B Three-digit plan number (PN) ▶ 002</div>
<div>C Plan sponsor's name as shown on line 2a of Form 5500 APPALACHIAN RAILCAR SERVICES, INC.</div>	<div>D Employer Identification Number (EIN) 55-0772909</div>

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

<div>1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....</div>	<div>1</div>	<div>0</div>
<div>2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 01-0233346</div> <div>Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.</div>		
<div>3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year</div>	<div>3</div>	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
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<div>4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?</div> <div>If the plan is a defined benefit plan, go to line 8.</div>	<div>☐ Yes ☐ No ☐ N/A</div>
<div>5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.</div>	
<div>6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)</div>	<div>6a</div>
<div>b Enter the amount contributed by the employer to the plan for this plan year</div>	<div>6b</div>
<div>c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....</div>	<div>6c</div>
<div>If you completed line 6c, skip lines 8 and 9.</div>	
<div>7 Will the minimum funding amount reported on line 6c be met by the funding deadline?</div>	<div>☐ Yes ☐ No ☐ N/A</div>
<div>8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?</div>	<div>☐ Yes ☐ No ☐ N/A</div>

Part III	Amendments
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<div>9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....</div>	<div>☐ Increase ☐ Decrease ☐ Both ☐ No</div>
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Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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<div>10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?</div>	<div>☐ Yes ☐ No</div>
<div>11 a Does the ESOP hold any preferred stock?</div>	<div>☐ Yes ☐ No</div>
<div>b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)</div>	<div>☐ Yes ☐ No</div>
<div>12 Does the ESOP hold any stock that is not readily tradable on an established securities market?</div>	<div>☐ Yes ☐ No</div>

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2020
v. 200204

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

14a

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14b

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14c

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year.....

15a

b The corresponding number for the second preceding plan year.....

15b

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year.....

16a

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....

16b

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

Cathcart Rail Holdco, LLC and Subsidiaries

Consolidated Financial Report
(Reviewed)
December 31, 2020

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Independent Accountant's Review Report

US LLP

Board of Directors
Cathcart Rail Holdco, LLC and Subsidiaries

We have reviewed the accompanying consolidated financial statements of Cathcart Rail Holdco, LLC and Subsidiaries (the Company), which comprise the consolidated balance sheet as of December 31, 2020, the related consolidated statement of operations, changes in members' equity and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements). A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The accompanying consolidating information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

RSM US LLP

Dayton, Ohio
November 29, 2021

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Cathcart Rail Holdco, LLC and Subsidiaries

Consolidated Balance Sheet

December 31, 2020

See Independent Accountant's Review Report

Assets

Current assets:

Cash	\$ 7,151,103
Accounts receivable, net	18,304,097
Accounts receivable, related party	84,708
Inventories	14,137,615
Prepaid expenses and other current assets	1,229,396
Contract assets	2,467,678

Total current assets	<u>43,374,597</u>
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Property and equipment, net	62,964,038
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Other assets	354,629
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Goodwill and intangible assets, net	<u>46,702,184</u>
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Total assets	<u><u>\$ 153,395,448</u></u>
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Liabilities and Members' Equity

Current liabilities:

Line of credit	\$ 10,000,000
Current maturities of long-term debt	375,073
Accounts payable	5,222,472
Due to seller	907,136
Accrued expense	3,704,435
Unearned revenue	321,041
Income tax payable	8,469,541

Total current liabilities	<u>28,999,698</u>
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Long-term debt, net	<u>8,550,392</u>
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Total liabilities	<u>37,550,090</u>
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Members' equity:

Paid-in capital	115,875,050
Accumulated deficit	(29,692)

Total equity	<u>115,845,358</u>
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Total liabilities and members' equity	<u><u>\$ 153,395,448</u></u>
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See notes to consolidated financial statements.

Cathcart Rail Holdco, LLC and Subsidiaries

Consolidated Statement of Operations

Year Ended December 31, 2020

See Independent Accountant's Review Report

Revenue	\$ 22,284,093
Cost of goods sold	<u>12,360,965</u>
Gross margin	9,923,128
Operating expenses	<u>10,451,933</u>
Operating loss	(528,805)
Other income (expense):	
Gain on bargain purchase	3,045,331
Interest expense	<u>(583,709)</u>
Total other income	<u>2,461,622</u>
Income before income tax expense	1,932,817
Income tax expense	<u>3,789,401</u>
Net loss	<u><u>\$ (1,856,584)</u></u>

See notes to consolidated financial statements.

Cathcart Rail Holdco, LLC and Subsidiaries

Consolidated Statement of Members' Equity

Year Ended December 31, 2020

See Independent Accountant's Review Report

	Paid-In Capital	Accumulated Deficit	Total
Balance at January 1, 2020	\$ 50	\$ 1,826,892	\$ 1,826,942
Capital contributions	115,875,000	-	115,875,000
Net loss	-	(1,856,584)	(1,856,584)
Balance at December 31, 2020	\$ 115,875,050	\$ (29,692)	\$ 115,845,358

See notes to consolidated financial statements.

Cathcart Rail Holdco, LLC and Subsidiaries

Consolidated Statement of Cash Flows

Year Ended December 31, 2020

See Independent Accountant's Review Report

Cash flows from operating activities:	
Net loss	\$ (1,856,584)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation expense	793,774
Amortization of goodwill and intangible assets	184,264
Amortization of deferred financing costs	30,102
Gain on bargain purchase	(3,045,331)
Deferred income tax benefit	(4,680,140)
Provision for bad debt	28,640
Change in assets and liabilities:	
Receivables	(4,054,162)
Inventory	(2,343,987)
Contract assets	1,660,325
Other assets	(145,528)
Accounts payable	(812,590)
Accrued expenses	9,144,961
Related party	(109,830)
Net cash used in operating activities	(5,206,086)
Cash flows from investing activities:	
Acquisition of property, plant and equipment	(3,652,325)
Proceeds from sale of equipment	-
Acquisition of businesses, net of cash acquired	(114,075,338)
Net cash used in investing activities	(117,727,663)
Cash flows from financing activities:	
Payments on long-term debt	(317,207)
Net proceeds on line of credit	7,443,694
Proceeds from long-term debt	6,971,365
Proceeds from member capital contributions	115,875,000
Net cash provided by financing activities	129,972,852
Net increase in cash	7,039,103
Cash:	
Beginning	112,000
Ending	\$ 7,151,103
Supplemental disclosures of cash flows information:	
Interest paid	\$ 548,286
Supplemental disclosures of non-cash activity:	
Deferred financing costs netted from proceeds from long-term debt	\$ 246,435
Acquisition of businesses (Note 4):	
Total identifiable net assets acquired	\$ 85,870,895
Goodwill	34,094,448
Net assets acquired	119,965,343
Less: cash acquired	(1,937,538)
Less: non-cash consideration	(907,136)
Less: gain on bargain purchase	(3,045,331)
Acquisition of businesses	\$ 114,075,338

See notes to consolidated financial statements.

Cathcart Rail Holdco, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Operations and Significant Accounting Policies

Nature of operations: On July 28, 2020, Cathcart Rail Holdco, LLC and Subsidiaries (the Company) was organized as a Delaware limited liability company. Prior to that date, the Company operated as Cathcart, Inc. On September 2, 2020, Cathcart Rail, Inc. contributed 100% of the interest in the Company to Cathcart Rail Holdco, LLC. The Company is a holding company for a multi-disciplinary rail services organization, including railcar maintenance and repair, short line railroad operations, coal loading and unloading, track maintenance, fleet management, and brokerage services, serving customers throughout the United States of America.

Principles of consolidation: The accompanying financial statements include the accounts of Cathcart Rail Holdco, LLC and its wholly-owned subsidiary, Cathcart Rail, LLC. Cathcart Rail, LLC includes its wholly-owned subsidiaries Cathcart Consolidated, LLC and ARS Consolidated, LLC (ARS). ARS was acquired in December 2020 (see Note 4). All intercompany accounts and transactions have been eliminated in consolidation.

Basis of presentation: The accompanying financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

Use of estimates: The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates made by management in the preparation of the financial statements includes, among other estimates, allowance for doubtful accounts receivable, and allowance for slow-moving or obsolete inventory.

Accounts receivable: Accounts receivable are carried at original invoice amount less an allowance made for doubtful receivables based on a review of all outstanding accounts on a monthly basis. Interest is not charged on past due accounts. Management determined the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Management determines the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering a customer's financial condition and credit history, as well as current economic conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. The allowance for doubtful accounts was \$39,534 at December 31, 2020.

Inventories: Inventories, which consist of steel, rail car parts, and rail car supplies are stated at the lower of average cost and net realizable value. Net realizable value is defined as estimated selling price in the ordinary course of business less reasonably predictable cost of completion, disposal and transportation. Management continually monitors the net realizable value of its inventories and records reserves when determined necessary.

Cathcart Rail Holdco, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Property and equipment: Property and equipment are stated at cost, less accumulated depreciation. Provisions for depreciation are computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the estimated useful lives or the lease term. Amortization on leasehold improvements is included with depreciation on owned assets. In general, the assets are depreciated over the following lives:

Buildings and improvements	7 to 39 years
Railyard	13 years
Machinery and equipment	3 to 7 years
Transportation equipment	2 to 6 years

Impairment of asset value is recognized whenever events or changes in circumstances indicate that carrying amounts are not recoverable. No impairment was recorded for the year ended December 31, 2020.

Major improvements are capitalized, while maintenance and repairs that do not extend the useful life of the applicable assets are expensed as incurred. Depreciation and amortization expense recognized on property and equipment included in the consolidated statements of operations for the year ended December 31, 2020 is \$793,774.

Goodwill: Goodwill results from a business acquisition and represents the excess of the purchase price over the fair value of the identifiable net assets acquired. The Company follows accounting guidance that allows goodwill to be amortized on a straight-line basis over a 10-year period and requires the Company to test goodwill for impairment only upon the occurrence of an event or circumstance that may indicate the fair value of the entity is less than its carrying amount. The Company elected to test goodwill impairment at the entity level. There were no events or circumstances that indicated impairment during the year ended December 31, 2020.

The Company follows accounting guidance under which the following intangible assets would not be separately recognized in a business acquisition: (a) intangible assets that would otherwise arise from non-compete agreements or (b) customer-related intangible assets that cannot be sold or licensed separately from other assets of the business.

Intangible assets: Intangible assets consist of trademarks and favorable leasehold interest. These intangible assets result from business acquisitions and were initially recognized at fair value. Intangible assets are being amortized using the straight-line method over the estimated useful lives. The Company reviews its intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. No such events or changes in circumstances occurred during 2020.

Deferred financing costs: Financing costs associated with the Company's long-term debt, as defined herein, are capitalized as a reduction of the related debt obligation and amortized over the term of the related debt using a method that approximates the effective interest method. Deferred financing costs totaled \$216,333 at December 31. Amortization expense is included within interest expense in the consolidated statements of operations and totaled \$30,102 for the year ending December 31, 2020.

Cathcart Rail Holdco, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Income taxes: As of December 31, 2020, the Company, as a limited liability company, has elected to be taxed as a partnership and thus taxable income or loss is allocated to members in accordance with their operating agreement. Management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements. The Company is filing its initial tax return in 2020, and thus has no prior tax returns subject to income tax examinations by the U.S. federal, state or local tax authorities.

Prior to December 31, 2020, ARS was incorporated and taxed as a corporation. On December 31, 2020 an election was filed to convert the entity to a limited liability company, which resulted in ARS tax classification to follow that of the Company.

As a result of the previously described ARS conversion from corporation to limited liability company on December 31, 2020, deferred tax liabilities of \$4,680,140 previously recognized on the balance sheet of ARS was recognized as deferred income tax benefit for the year ended December 31, 2020.

The ARS conversion from a corporation to a limited liability company is a taxable event for ARS. Accordingly, \$8,469,541 of current tax expense was recognized for the year ended December 31, 2020. A corresponding income tax payable is recognized as of December 31, 2020 to reflect the amount of federal, state and local taxes expected to be due on the final corporate tax returns for ARS.

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

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

The Company is a multi-disciplinary rail services organization serving customers throughout the Midwest and Eastern half of the United States of America. Revenue is subject to economic conditions and may fluctuate based on changes in the industry, trade policies, and financial markets. The Company derives its revenues primarily from the sale of repairs and maintenance services, parts sales, loading services, and storage services. Revenues are recognized when control of these products or services is transferred to its customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those products and services. Sales and other taxes the Company collects concurrent with revenue-producing activities are excluded from revenue. Incidental items that are immaterial in the context of the contract are recognized as an expense. The Company does not have any significant financing components as payment is received at or shortly after the transfer of control and the services are provided.

The following table disaggregates the Company's revenue based on the timing of satisfaction of performance obligations for the year ended December 31, 2020:

Performance obligations satisfied at a point in time	\$ 72,144
Performance obligations satisfied over time	22,211,949
Total net sales	<u>\$ 22,284,093</u>

Cathcart Rail Holdco, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Performance obligations

Revenue from performance obligations satisfied at a point in time consist of product sales. These goods are sold to rail car owners. Revenue from performance obligations satisfied over time consist of the sale of repairs and maintenance services, loading services, and storage services. These services are provided to rail car owners.

For performance obligations related to the sale of products, control transfers to the customer at a point in time. The Company's principal terms of sale are FOB Shipping Point or FOB Destination. The Company transfers control and records revenue for product sales either upon shipment or delivery to the customer, respectively.

For performance obligations related to repairs and maintenance services, loading services, and storage services, control transfers to the customer over time. Revenue from repairs and maintenance services are recognized based on a cost to cost method. Loading services are considered a stand ready obligation and revenue is recognized ratably over the contract period. Storage services are recognized using an input based method based on the amount of railcars stored.

Contract Assets and Liabilities

The timing of revenue recognition may not align with the right to invoice the customer. Contract assets classified on the consolidated balance sheet represent revenues recognized in excess of amounts billed or available to be billed where the right to payment is conditional. The Company's accounts receivable has unconditional rights to consideration subject to the passage of time. The balance of contract assets as of December 31, 2020 was \$2,467,678.

Contract liabilities (unearned revenue) on the consolidated balance sheet represent customer payments received in advance of the right to recognize revenue. The balance of unearned revenue as of December 31, 2020 was \$321,041.

The Company does not pay any sales commissions or incur other costs that are considered to be an incremental cost of obtaining a contract. The Company's contract costs are generally accounted for under applicable other guidance and the Company did not identify any other costs to fulfill that would require capitalization under ASC 340-40.

Contract Term

The Company assesses the contract term as the period in which the parties to the contract have presently enforceable rights and obligations. The contract term varies across the revenue streams. The term is typically the duration of the purchase order through the date of shipment for product sales and is typically 30-60 days (i.e., the period of notice to terminate for convenience) for service contracts.

Transaction price

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods to the customer. Revenue from sales is recorded based on the transaction price. The nature of the Company's business gives rise to an immaterial amount of variable consideration, including returns, rebates, and performance penalties. The Company will adjust the transaction price for variable consideration when resolved (i.e. upon occurrence).

Cathcart Rail Holdco, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Payment terms on invoiced amounts are typically 30 days. In instances where the timing of revenue recognition differs from the timing of the right to invoice, the Company has determined that a significant financing components generally does not exist and accordingly the Company determined that there were no significant financing components.

The Company excludes from revenue sales taxes and other government-assessed and imposed taxes on revenue generating activities that are invoiced to customers.

Standalone Selling Price

When the Company's contracts with customers contain multiple performance obligations, the contract transaction price is allocated on a relative standalone selling price basis to each performance obligation. The Company determines standalone selling price ("SSP") based on observable prices of its goods. The Company did not identify any optional pricing that would be considered to be indicative of material rights to the Company's customers.

Warranties

The Company generally does not provide warranties for the products or services sold.

Advertising expense: The Company's policy is to expense advertising costs as such costs are incurred. Advertising costs are normally nominal.

Business and credit concentrations: Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash, which sometimes exceed federally insured limits and accounts receivable. The Company manages the risk regarding accounts receivable through ongoing credit evaluations of its customers and the use of an allowance for doubtful accounts to recognize potential credit losses.

The Company is vulnerable to credit risk due to its concentration of sales to its customers. For the year ended December 31, 2020, sales to the Company's largest customer accounted for approximately 10% of net sales revenue.

Equity-based compensation: The Company accounts for equity-based awards in accordance with FASB ASC 718, *Compensation – Stock Compensation*. The Company recognizes compensation expense based on the estimated fair value and substance of the awards. Compensation expense is based on the grant date fair value and recorded over the derived service period. During 2020, there were no equity-based awards granted. See Note 12.

Business combinations: The Company accounts for business combinations in accordance with FASB ASC 805, *Business Combinations*. The Company applies the acquisition method of accounting and accordingly measures its acquired assets and liabilities assumed at fair value and recognizes goodwill as of the acquisition date, which is measured as the excess of the consideration paid over the fair values of the identifiable net assets acquired. In instances where the fair values of identifiable net assets acquired exceeds the consideration paid, a bargain purchase is recognized.

Cathcart Rail Holdco, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Recent accounting pronouncements: In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. A modified retrospective transition approach is required. An entity may adopt the guidance either (1) retrospectively to each prior reporting period presented in the financial statements with a cumulative-effect adjustment recognized at the beginning of the earliest comparative period presented or (2) retrospectively at the beginning of the period of adoption through a cumulative-effect adjustment. This new standard is effective for fiscal years beginning after December 15, 2021, with early adoption permitted. The Company is currently evaluating the impact of the pending adoption of the new standard on the financial statements.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The guidance provides temporary optional expedients and exceptions to the guidance in U.S. GAAP regarding contract modifications, hedge accounting, and other transactions to ease the expected burden on financial reporting related to the upcoming reference rate reform. The guidance in this ASU, if elected by the entity, applies to contracts and other transactions that reference LIBOR or a reference rate that is expected to be discontinued as a result of reference rate reform. An entity that elects the expedient for its issued debt will account for all modifications of its issued debt that do not meet the definition of a troubled debt restructuring and that qualify for the expedient as if those modifications were not substantial. The modification will be accounted for prospectively by adjusting the effective interest rate for the debt. The standard may be applied as of the beginning of the interim period that includes March 12, 2020. Once an entity elects to apply the contract modification in the ASU, it must apply it prospectively for all qualifying contract modifications made prior to December 31, 2022. The Company is currently evaluating the impact of the pending adoption of the new standard on the consolidated statement.

Note 2. Inventories

Inventories at December 31, 2020 consist of the following:

Raw materials and service parts	\$ 14,294,001
Reserves	(156,386)
	<u>\$ 14,137,615</u>

Note 3. Property and Equipment

Components of property and equipment at December 31, 2020 are as follows:

Land	\$ 6,901,600
Buildings and improvements	16,671,553
Railyard	29,830,673
Machinery and equipment	8,162,276
Transportation equipment	2,220,291
Construction in progress	1,049,658
Total property and equipment, at cost	<u>64,836,051</u>
Accumulated depreciation	<u>1,872,013</u>
Net property and equipment	<u>\$ 62,964,038</u>

Cathcart Rail Holdco, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 4. Acquisitions

ARS Holdco. Corp.

Cathcart Rail Holdco, LLC, through its wholly owned subsidiary, Cathcart Rail, LLC, acquired all of the interests of ARS Holdco. Corp. (ARS) and its subsidiaries. The results of the ARS operations have been included in the consolidated financial statements since December 14, 2020, the date the acquisition occurred. The acquired business is a holding company for a multi-disciplinary rail services organization, including railcar maintenance and repair, short line railroad operations, coal loading and unloading, track maintenance, fleet management, and brokerage services, serving customers throughout the Midwest and Eastern half of the United States of America. The acquisition is expected to expand the Company's market share in the industry.

The consideration paid exceeded the fair value of the identifiable net assets acquired by \$34,094,448 which was recognized as goodwill. Goodwill primarily represents the value associated with the Company's customer relationships, assembled workforce, the Company's presence in the market, as well as new ownership's plans to expand the Company's market share. Goodwill is not deductible for income tax purposes.

The following table summarizes the consideration paid and the estimated fair value of the assets acquired and liabilities assumed at the acquisition date:

Consideration:

Cash paid to sellers, including working capital adjustment	\$ 104,012,876
Due to seller	907,136
Total consideration	<u>\$ 104,920,012</u>

Recognized amounts of identifiable assets acquired and liabilities assumed:

Cash	\$ 1,937,538
Accounts receivable	10,980,414
Contractual asset	3,758,596
Inventories	7,425,300
Prepaid expenses and other current assets	1,225,304
Property and equipment	43,122,229
Intangible assets	12,792,000
Accounts payable	(4,668,986)
Accrued expenses and other liabilities	(1,766,994)
Debt	(369,122)
Deferred income taxes	(3,610,715)
Total identifiable net assets	<u>70,825,564</u>
Goodwill	<u>34,094,448</u>
Total allocated purchase price	<u>\$ 104,920,012</u>

In connection with the above transaction, the Company incurred approximately \$2,000,000 of transaction costs which were expensed and included in operating expenses on the accompanying consolidated statement of operations.

Cathcart Rail Holdco, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 4. Acquisitions (Continued)

The fair value assigned to the identifiable intangible assets and their weighted average useful lives are as follows:

	Amount	Weighted Average Useful Life (Years)
Tradename and trademarks	\$ 11,100,000	20
Favorable leasehold interest	1,692,000	25
	<u>\$ 12,792,000</u>	<u>21</u>

Progress Rail Services

On December 30, 2020, Appalachian Tank Car Services, LLC, a wholly owned subsidiary of ARS, purchased certain assets and assumed certain liabilities of Progress Rail Services Corporation's operations in Amarillo, Texas (Amarillo) through an Asset Purchase Agreement. The results of the Amarillo entity have been included in the consolidated financial statements since acquisition. The Amarillo entity provides rail and tank car repairs and is expected to expand the Company's market share in the industry. The excess of the fair value of the net assets acquired exceeded the consideration paid by \$3,045,331, which was recognized as a bargain purchase gain in the consolidated statement of operations. The bargain purchase was a result of the Company acquiring the business for consideration less than the fair value of the identifiable net assets acquired, as determined by an independent third-party valuation.

The following table summarizes the consideration paid and the estimated fair value of the assets acquired and liabilities assumed at the acquisition date:

Consideration:

Cash paid	\$ 12,000,000
Total consideration	<u>\$ 12,000,000</u>

Recognized amounts of identifiable assets acquired and liabilities assumed:

Inventories	\$ 1,562,716
Property and equipment	14,552,040
Deferred income taxes	(1,069,425)
Total identifiable net assets	<u>15,045,331</u>
Bargain purchase gain	<u>(3,045,331)</u>
Total allocated purchase price	<u>\$ 12,000,000</u>

In connection with the above transaction, the Company incurred approximately \$490,000 of transaction costs which were expensed and included in operating expenses on the accompanying consolidated statement of operations.

Cathcart Rail Holdco, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 5. Goodwill and Intangible Assets

Following is a summary of the intangible assets and goodwill at December 31, 2020:

	Gross Value	Accumulated Amortization	Net Book Value
Goodwill	\$ 34,094,448	\$ 155,808	\$ 33,938,640
Trademarks	11,100,000	25,363	11,074,637
Favorable leasehold interest	1,692,000	3,093	1,688,907
Total	<u>\$ 46,886,448</u>	<u>\$ 184,264</u>	<u>\$ 46,702,184</u>

For the year ended December 31, 2020, amortization expense was \$28,456 for intangible assets and was \$155,808 for goodwill.

The following summarizes the approximate future intangible asset and goodwill amortization expense for the Company for each of the next five years:

	Intangible Assets	Goodwill
2021	\$ 622,680	\$ 3,409,445
2022	622,680	3,358,295
2023	622,680	3,358,295
2024	622,680	3,358,295
2025	622,680	3,358,295
Thereafter	9,650,144	17,096,015
	<u>\$ 12,763,544</u>	<u>\$ 33,938,640</u>

Note 6. Line of Credit

On March 11, 2020, the Company entered into a line of credit agreement with a financial institution. The line of credit initially permitted borrowings up to \$3,000,000, limited to eligible accounts receivables plus eligible inventory, as defined by the agreement. Effective December 14, 2020, the line of credit agreement was amended and restated to permit borrowings up to \$15,000,000, limited to eligible accounts receivables plus eligible inventory, as defined by the agreement. Interest is payable monthly based on the sum of the applicable margin (3.00% per annum) plus the product of (a) the LIBOR rate multiplied by (b) the Statutory Reserve Rate (3.15% at December 31, 2020). Borrowings on this line were \$10,000,000 at December 31, 2020. The line of credit matured on June 30, 2021. The line of credit was amended, which extended the maturity through September 30, 2021, and the Company is currently negotiating new terms for the line of credit. The line of credit contains certain financial as well as non-financial covenants.

Note 7. Long - Term Debt

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to amongst other provisions, provide emergency assistance for individuals, families, and businesses affected by the coronavirus pandemic. One of the many provisions of the CARES Act, the Paycheck Protection Program (PPP) provides loans to small businesses to prevent layoffs and business closures during the pandemic. On April 5, 2020, the Company entered into a PPP loan in the amount of \$1,217,800.

Cathcart Rail Holdco, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 7. Long - Term Debt (Continued)

The PPP loan bore interest at 0.98% per annum. Monthly principal and interest payments were scheduled to commence in November 2020, but were originally deferred based on the SBA's 10 month deferral period provided under terms of the loan program. The PPP loan was originally scheduled to mature in April 2022. Subsequent to December 31, 2020, the Company received approval for complete forgiveness of the PPP loan, as such the amount is recorded as long-term debt as of December 31, 2020 on the consolidated balance sheet. The SBA may audit whether the Company qualified for the PPP loan and met the conditions for forgiveness of the loan for up to six years after it forgave the loan. Therefore, it is possible that the Company may have to repay an amount previously forgiven by the SBA.

Long-term obligations consisted of the following at December 31, 2020:

Term loan of \$2,000,000, maturing June 28, 2028, principal payable in monthly payments of \$21,710 plus fixed interest of 5.50%. Collateralized by certain equipment held by the Company.	\$ 1,597,471
Promissory note, \$400,000, requiring monthly principal payments of \$4,762. There is no interest on the note until April 1, 2021, when the fixed interest rate is 3.17% through maturity in March 2027, collateralized by track.	357,405
Term loan of \$5,000,000, principal due at maturity in July 2024, interest of 10.00% due monthly, collateralized by the Company's assets.	5,000,000
Paycheck Protection Program \$1,217,800 note, requires maximum monthly payments of \$137,538 beginning no later than August 2021, plus interest of 1% and is due on April 5, 2022. See above.	1,217,800
JobsOhio's Workforce Retention Promissory Note of \$600,000, requiring monthly principal payments of \$7,143 beginning May 1, 2021. Loan was subsequently forgiven in full on January 29, 2021.	600,000
Equipment loan with an interest rate of 4.00%, requires principal payments of \$2,225 per month, collateralized by the equipment, matures November 2024.	96,635
Equipment loan with an interest rate of 4.00%, requires principal and interest payments of \$2,190 per month, collateralized by the equipment, matures January 2025.	98,868
Vehicle loans with an interest rate of 9.99%, require principal and interest payments of \$1,572 per month, collateralized by the vehicles, mature June 2025.	67,911
Equipment capital lease, requires principal payments of \$6,236 per month, collateralized by the equipment, matures in November 2021.	68,664
Equipment capital lease, requires principal payments of \$1,421 per month, collateralized by the equipment, matures in February 2023.	37,044
	9,141,798
Less: unamortized financing costs	(216,333)
Less: current maturities	(375,073)
Total long-term debt	\$ 8,550,392

Cathcart Rail Holdco, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 7. Long - Term Debt (Continued)

Interest expense, excluding amortization of deferred financing costs, totaled \$553,607 for the year ended December 31, 2020.

Aggregate maturities of long-term debt for the years ended December 31 are as follows:

2021	\$ 375,073
2022	2,137,951
2023	321,357
2024	5,332,883
2025	291,253
Thereafter	683,281
	<u>\$ 9,141,798</u>

Note 8. Commitments and Contingencies

The Company leases certain property, equipment and railway systems under long-term operating leases expiring at various dates throughout 2035. Required minimum annual payments under these lease agreements for the next five fiscal years are as follows:

2021	\$ 1,965,562
2022	1,763,673
2023	1,657,505
2024	1,302,349
2025	1,198,126
Thereafter	8,135,603
	<u>\$ 16,022,818</u>

Rent expense for the year ended December 31, 2020 was \$1,611,329.

The Company is involved in certain legal matters, which have arisen through the normal course of business. These cases are, in the opinion of management, ordinary matters incidental to the normal course of business conducted by the Company. Management does not believe that the ultimate resolution of these matters will have a material effect on the Company's financial position, results of operations or cash flows.

Note 9. Members' Equity

Common units: During 2020 the Company authorized and issued 75,000 Class A Common Units (Class A Units) and 75,000 Class B Common Units (Class B Units) at \$425 per unit. Both Class A Units and Class B Units have voting rights at one vote per unit. The Company shall, to the extent of distributable cash, make quarterly distributions to the members.

According to provisions of the Company's Subscription Agreement, Class B Unit holders may be issued additional Class B Units (Incremental Interests) on a fully diluted basis, based on certain target and actual financial metrics for the 18-month period commencing on June 30, 2020 and ending on December 31, 2020.

Cathcart Rail Holdco, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 9. Members' Equity (Continued)

Preferred units: During 2020 the Company authorized and issued 84,000 Class C Preferred Units (Class C Units) at \$1,000 per unit with the following characteristics:

Voting: Class C Unit holders have no voting rights, except for certain matters described in the Company's Amended and Restated LLC Agreement.

Distributions: Each holder of Class C Units are entitled to receive, when determined by the Board of Directors and out of available cash, Ordinary Preferred Returns. Ordinary Preferred Returns accrue at 6% per annum compounded quarterly. Class C Units have preference to distributions until the unpaid Ordinary Preferred Returns amount is reduced to zero. Accumulated unpaid Ordinary Preferred Returns amounted to \$215,014 at December 31, 2020.

Liquidation: In the event of a Realization Event, as defined in the Company's Amended and Restated LLC agreement, the holders of Class C Units shall receive, with any payments in preference to any payments to the holders of the common units, an amount in cash equal to the Class C Units original issue price plus any unsatisfied Ordinary Preferred Returns and Realization Event Preferred Returns. Realization Event Preferred Returns accrue 12% per annum compounded quarterly. Accumulated unpaid Realization Event Preferred Returns amounted to \$430,027 at December 31, 2020.

Founder Incentive Plan: During 2020 the Board of Directors approved the Founder Incentive Plan (FIP) with the purpose of securing and retaining services of certain key personnel of the Company. The participants have no voting rights as to any matter and are not entitled to distributions, except upon a Realization Event, as defined. Upon a Realization Event, participants are entitled to share in the proceeds from the sale of the Company if certain thresholds are met (FIP Awards). FIP Awards vest over a period of four years from the issuance date with an adjustment to the vesting percentage based upon a Realization Event. If the participant terminates employment without cause the vesting percentage shall be fixed as of that date. If the participant terminates employment with cause the vesting percentage shall be zero.

Note 10. Employee Benefit Plans

ARS maintains a qualified contributory savings plan available to all employees after one year of service pursuant to Section 401(k) of the Internal Revenue Code which provides for elective contributions by participants. The Company matches 100% up to the first 3% of a participant's salary deferrals. Matching contributions were \$10,719 for the period from acquisition on December 14, 2020 to year end on December 31, 2020.

Cathcart maintains a qualified contributory savings plan available to all employees after six months of service pursuant to Section 401(k) of the Internal Revenue Code which provides for elective contributions by participants. The Company matches 100% up to the first 3% and 50% of the next 2% of a participant's salary deferrals. Matching contributions were \$19,185 for the year ended December 31, 2020.

Cathcart Rail Holdco, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 11. Coronavirus Pandemic

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Company operates. It is unknown how long the adverse conditions associated with the coronavirus will last and what the complete financial effect will be to the Company.

Note 12. Subsequent Events

Effective July 22, 2021, the Company implemented the Omnibus Incentive Plan (the Plan) for the purpose of retaining services of certain key personnel who are in a position to make a significant contribution to the long-term financial success of the Company and its subsidiaries. Per the Plan, the Company may issue Stock Appreciation Rights (SAR), Restrictive Stock Units (RSU), or other unit-based awards (collectively, Awards). The maximum number of Units, meaning an ownership interest in the Company represented by the Class A Units or Class B Units, that may be covered by Awards granted throughout the duration of the Plan may not exceed 16,667 total Units. A RSU award grants the participant a right to receive a cash payment in an amount equal to the fair market value of one unit upon the occurrence of a Realization Event as defined in the Plan. A SAR award grants the recipient the right to receive compensation based on the appreciation in the value of a specific number of units upon the occurrence of a realization event. Coinciding with the implementation of the Plan, the Board of Directors issued a total of 8,633 RSU awards to participants.

The Company has evaluated subsequent events for potential disclosure and/or recognition through November 29, 2021, the date the consolidated financial statements were available to be issued.

Consolidating Information

Cathcart Rail Holdco, LLC and Subsidiaries

Consolidating Balance Sheet December 31, 2020 See Independent Accountant's Review Report

	Cathcart Consolidated, LLC	ARS Consolidated, LLC	Cathcart Rail Holdco	Eliminations	Consolidated
Assets					
Current assets:					
Cash	\$ 985,435	\$ 3,602,435	\$ 2,563,233	\$ -	\$ 7,151,103
Accounts receivable, net	5,476,356	12,820,381	7,360	-	18,304,097
Accounts receivable, related party	1,758,672	-	25,963,760	(27,637,724)	84,708
Inventories	5,049,373	9,088,242	-	-	14,137,615
Prepaid expenses and other current assets	192,337	867,591	169,468	-	1,229,396
Contract assets	505,596	1,962,082	-	-	2,467,678
Total current assets	13,977,769	28,340,731	28,693,821	(27,637,724)	43,374,597
Property and equipment, net	5,215,070	57,484,995	284,273	-	62,964,038
Other assets	54,691	29,820	270,118	-	354,629
Goodwill and intangible assets, net	-	46,702,184	-	-	46,702,184
Investment in affiliates	-	-	100,911,085	(100,911,085)	-
Total assets	\$ 19,247,530	\$ 132,557,430	\$ 130,139,297	\$ (128,548,809)	\$ 153,395,448
Liabilities and Members' Equity					
Current liabilities:					
Line of credit	\$ -	\$ -	\$ 10,000,000	\$ -	\$ 10,000,000
Current maturities of long-term debt	230,773	144,300	-	-	375,073
Accounts payable	1,776,806	2,933,228	512,438	-	5,222,472
Accounts payable, related party	9,281,368	17,003,629	1,352,727	(27,637,724)	-
Due to seller	-	907,136	-	-	907,136
Accrued expense	681,810	2,646,328	374,287	-	3,704,435
Unearned revenue	321,041	-	-	-	321,041
Income tax payable	-	8,469,541	-	-	8,469,541
Total current liabilities	12,291,798	32,108,162	12,239,462	(27,637,724)	28,999,698
Long-term debt, net	2,941,503	224,822	5,383,667	-	8,550,392
Total liabilities	15,233,701	32,330,984	17,623,129	(27,637,724)	37,550,090
Members' equity:					
Paid-in capital	-	100,911,085	115,875,050	(100,911,085)	115,875,050
Retained earnings (accumulated deficit)	4,013,829	(684,639)	(3,358,882)	-	(29,692)
Total equity	4,013,829	100,226,446	112,516,168	(100,911,085)	115,845,358
Total liabilities and members' equity	\$ 19,247,530	\$ 132,557,430	\$ 130,139,297	\$ (128,548,809)	\$ 153,395,448

Cathcart Rail Holdco, LLC and Subsidiaries

**Consolidating Statement of Operations
Years Ended December 31, 2020
See Independent Accountant's Review Report**

	Cathcart Consolidated, LLC	ARS Consolidated, LLC	Cathcart Rail Holdco	Eliminations	Consolidated
Revenue	\$ 19,741,746	\$ 2,542,347	\$ -	-	\$ 22,284,093
Cost of goods sold	10,984,968	1,375,997	-	-	12,360,965
Gross margin	8,756,778	1,166,350	-	-	9,923,128
Operating expenses	6,439,387	1,068,161	2,944,385	-	10,451,933
Operating income (loss)	2,317,391	98,189	(2,944,385)	-	(528,805)
Other income (expense):					
Gain on bargain purchase	-	3,045,331	-	-	3,045,331
Interest expense	(128,805)	(38,759)	(416,145)	-	(583,709)
Total other income (expense)	(128,805)	3,006,572	(416,145)	-	2,461,622
Income (loss) before income tax expense	2,188,586	3,104,761	(3,360,530)	-	1,932,817
Income tax expense	-	3,789,401	-	-	3,789,401
Net income (loss)	\$ 2,188,586	\$ (684,640)	\$ (3,360,530)	-	\$ (1,856,584)

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2020</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2020 or fiscal plan year beginning <u>01/01/2020</u> and ending <u>12/31/2020</u>	
A	This return/report is for: <div style="display: flex; justify-content: space-between;"> <div> ☐ a multiemployer plan ☒ a single-employer plan </div> <div> ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☐ a DFE (specify) _____ </div> </div>
B	This return/report is: <div style="display: flex; justify-content: space-between;"> <div> ☐ the first return/report ☒ an amended return/report </div> <div> ☐ the final return/report ☐ a short plan year return/report (less than 12 months) </div> </div>
C	If the plan is a collectively-bargained plan, check here. ☐
D	Check box if filing under: <div style="display: flex; justify-content: space-between;"> <div> ☐ Form 5558 ☐ special extension (enter description) </div> <div> ☐ automatic extension </div> <div> ☐ the DFVC program </div> </div>

Part II	Basic Plan Information —enter all requested information						
1a	Name of plan Appalachian Railcar Services 401(k) Profit Sharing Plan						
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">1b</td> <td>Three-digit plan number (PN) ▶</td> <td>002</td> </tr> <tr> <td>1c</td> <td colspan="2">Effective date of plan 01/01/2009</td> </tr> </table>	1b	Three-digit plan number (PN) ▶	002	1c	Effective date of plan 01/01/2009	
1b	Three-digit plan number (PN) ▶	002					
1c	Effective date of plan 01/01/2009						
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) Appalachian Railcar Services, Inc. 737 Eleanor Industrial Park PO Box 800 Eleanor WV 25070						
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">2b</td> <td>Employer Identification Number (EIN) 55-0772909</td> </tr> <tr> <td>2c</td> <td>Plan Sponsor's telephone number 304-586-7085</td> </tr> <tr> <td>2d</td> <td>Business code (see instructions) 488210</td> </tr> </table>	2b	Employer Identification Number (EIN) 55-0772909	2c	Plan Sponsor's telephone number 304-586-7085	2d	Business code (see instructions) 488210
2b	Employer Identification Number (EIN) 55-0772909						
2c	Plan Sponsor's telephone number 304-586-7085						
2d	Business code (see instructions) 488210						

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE		1/11/22	Keir Wianecki
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE		Date	Enter name of individual signing as employer or plan sponsor
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE		Date	Enter name of individual signing as DFE
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2020)
v. 200204

Form 5500 annual return/Report of Employee Benefit Plan
Schedule H Line 4i – Schedule of Assets (Held at End of Year)

See Supplemental Schedule attached with IQPA Opinion and Financial Statements.