

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). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2021 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</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)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II	Basic Plan Information—enter all requested information										
1a Name of plan <u>ADVANCED COMPOSITES, INC. 401(K) RETIREMENT 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>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1992</u></td> </tr> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>31-1178829</u></td> </tr> <tr> <td colspan="2">2c Plan Sponsor's telephone number <u>615-369-1081</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>336300</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>01/01/1992</u>		2b Employer Identification Number (EIN) <u>31-1178829</u>		2c Plan Sponsor's telephone number <u>615-369-1081</u>		2d Business code (see instructions) <u>336300</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>										
1c Effective date of plan <u>01/01/1992</u>											
2b Employer Identification Number (EIN) <u>31-1178829</u>											
2c Plan Sponsor's telephone number <u>615-369-1081</u>											
2d Business code (see instructions) <u>336300</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>ADVANCED COMPOSITES, INC.</u> <u>1062 FOURTH AVE. S</u> <u>SIDNEY, OH 45365</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.	07/28/2022	CHRIS LINSOTT
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2021)
v. 210624

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	726
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)	448
a(2) Total number of active participants at the end of the plan year		6a(2)	452
b Retired or separated participants receiving benefits.....		6b	0
c Other retired or separated participants entitled to future benefits		6c	298
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	750
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	2
f Total. Add lines 6d and 6e		6f	752
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	721
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	33
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 2K 2T 3B 3D			
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 2021 Form M-1 annual report. If the plan was not required to file the 2021 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 _____

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance 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. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021	
A Name of plan ADVANCED COMPOSITES, INC. 401(K) RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 ADVANCED COMPOSITES, INC.	D Employer Identification Number (EIN) 31-1178829

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
GREAT WEST LIFE AND ANNUITY

(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
84-0467907	68322	454830-01	486	01/01/2021	12/31/2021

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	(b) Total amount of fees paid

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

(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	

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(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
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(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	5729541
5	Current value of plan's interest under this contract in separate accounts at year end.....	5	0

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 ▶ **GROUP ANNUITY CONTRACT**

b	Balance at the end of the previous year	7b	5212831
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c	Additions: (1) Contributions deposited during the year	7c(1)	436993	
	(2) Dividends and credits.....	7c(2)	0	
	(3) Interest credited during the year.....	7c(3)	49993	
	(4) Transferred from separate account.....	7c(4)	727158	
	(5) Other (specify below)	7c(5)	48707	

▶ **LOAN PAYMENTS/FORFEITURES**

(6) Total additions	7c(6)	1262851
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d	Total of balance and additions (add lines 7b and 7c(6))	7d	6475682
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e	Deductions:			
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	447449	
	(2) Administration charge made by carrier.....	7e(2)	-4060	
	(3) Transferred to separate account.....	7e(3)	302752	
	(4) Other (specify below)	7e(4)		

(5) Total deductions	7e(5)	746141
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f	Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	5729541
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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
		2021
		This Form is Open to Public Inspection.
For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan ADVANCED COMPOSITES, INC. 401(K) RETIREMENT PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 ADVANCED COMPOSITES, INC.	D Employer Identification Number (EIN) 31-1178829	

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
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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)

ADVISED ASSETS GROUP, LLC

8515 EAST ORCHARD ROAD
GREENWOOD VILLAGE, CO 80111

(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?
28	INVESTMENT MGMT	118900	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

RBC CAPITAL MARKETS LLC

60 S 6TH ST COMMISSIONS ACCTG P-14
MINNEAPOLIS, MN 55402

(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?
27	INVESTMENT ADVISOR	62770	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

GREAT-WEST LIFE & ANNUITY INSURANCE

8515 EAST ORCHARD ROAD
GREENWOOD VILLAGE, CO 80111

(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?
64	RECORDKEEPER	34609	Yes ☒ No ☐	Yes ☒ No ☐	0	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
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(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) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>		
A Name of plan <u>ADVANCED COMPOSITES, INC. 401(K) RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ADVANCED COMPOSITES, INC.</u>	D Employer Identification Number (EIN) <u>31-1178829</u>	

Part I	Asset and Liability Statement
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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	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions.....	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	0
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	664947	695407
(9) Value of interest in common/collective trusts.....	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts.....	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	33212888	38999268
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	5212831	5729541
(15) Other.....	1c(15)	0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	0	0
(2) Employer real property.....	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	39090666	45424216

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h		
i Acquisition indebtedness.....	1i	0	0
j Other liabilities.....	1j	0	0
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	39090666	45424216
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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)	1133942	
(B) Participants	2a(1)(B)	2217274	
(C) Others (including rollovers).....	2a(1)(C)	83687	
(2) Noncash contributions.....	2a(2)	0	3434903
(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)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans.....	2b(1)(E)	33826	
(F) Other	2b(1)(F)	49993	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		83819
(2) Dividends: (A) Preferred stock.....	2b(2)(A)	0	3073997
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	3073997	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		3073997
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	0
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	0
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		3140355
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		9733074
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	3183758	
(2) To insurance carriers for the provision of benefits.....	2e(2)	0	
(3) Other.....	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		3183758
f Corrective distributions (see instructions).....	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		-513
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees.....	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	34609	
(3) Investment advisory and management fees.....	2i(3)	181670	
(4) Other.....	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		216279
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		3399524
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		6333550
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: BLANKENSHIP CPA GROUP, LLP

(2) EIN: 45-0491842

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		500000
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?		X	
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?		X	
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.)		X	
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?		X	
4k		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
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 _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information 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). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan ADVANCED COMPOSITES, INC. 401(K) RETIREMENT PLAN	B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 ADVANCED COMPOSITES, INC.	D Employer Identification Number (EIN) 31-1178829

Part I	Distributions
--------	---------------

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

1	Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	0
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): 84-1455663		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.			
3	Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

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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4	Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.				
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.			
6	a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
	b Enter the amount contributed by the employer to the plan for this plan year	6b		
	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)	6c		
If you completed line 6c, skip lines 8 and 9.				
7	Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
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?	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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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.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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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.
---------	--

10	Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11	a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
	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.)	☐ Yes	☐ No
12	Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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

Schedule R (Form 5500) 2021
v. 201209

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 _____

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES

Advanced Composites, Inc. and Subsidiary
Years Ended March 31, 2022 and 2021
With Report of Independent Auditors

Ernst & Young LLP



Advanced Composites, Inc. and Subsidiary

Consolidated Financial Statements
and Supplementary Schedules

Years Ended March 31, 2022 and 2021

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Report of Independent Auditors

The Board of Directors and Stockholders
Advanced Composites, Inc. and Subsidiary

Opinion

We have audited the consolidated financial statements of Advanced Composites, Inc. and Subsidiary (the Company), which comprise the consolidated balance sheets as of March 31, 2022 and 2021, and the related consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at March 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedules of balance sheet information and statement of income information are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management. The information has not been subjected to the auditing procedures applied in our audits of the financial statements and, accordingly, we express no opinion on it.

Ernst + Young LLP

May 23, 2022

Advanced Composites, Inc. and Subsidiary

Consolidated Balance Sheets

(Dollars in Thousands)

	March 31	
	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 86,186	\$ 154,427
Accounts receivable:		
Trade, net of allowance for doubtful accounts		
of \$958 and \$591 in 2022 and 2021, respectively	120,371	83,078
Related parties	13,301	14,003
Rebates receivable	34,763	—
Total accounts receivable	168,435	97,081
Inventories	192,689	176,854
Prepaid expenses	3,181	2,115
Income tax receivable	12,704	2,085
Other current assets	385	1,844
Total current assets	463,580	434,406
Property, plant, and equipment, net	102,576	116,884
Finance lease – right-of-use asset, net	9,646	10,799
Operating lease – right-of-use asset	7,440	7,376
Deferred income taxes	686	2,951
Other assets	217	973
 Total assets	 \$ 584,145	 \$ 573,389

Advanced Composites, Inc. and Subsidiary

Consolidated Balance Sheets

(Dollars in Thousands)

	March 31	
	2022	2021
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable:		
Trade	\$ 66,269	\$ 49,325
Related parties	16,298	16,632
Total accounts payable	82,567	65,957
Current portion of related-party deposit payable	1,000	1,000
Current portion of obligation under finance leases	990	853
Current portion of obligation under operating leases	1,443	1,331
Accrued expenses and other current liabilities	22,768	21,335
Total current liabilities	108,768	90,476
Related-party deposit payable	9,000	10,000
Deferred income taxes	11,534	11,701
Obligation under finance leases, less current portion	12,291	13,281
Obligation under operating leases, less current portion	5,864	5,892
Other long-term liabilities	1,182	1,005
Total liabilities	148,639	132,355
Commitments and contingencies		
Stockholders' equity:		
Common stock, no par value:		
Authorized, 200,000 shares;		
issued and outstanding, 162,548 and 181,037 shares as of		
2022 and 2021, respectively	12,660	14,100
Additional paid-in capital	(583)	30,167
Retained earnings	423,506	396,899
Accumulated other comprehensive loss	(77)	(132)
Total stockholders' equity	435,506	441,034
Total liabilities and stockholders' equity	\$ 584,145	\$ 573,389

See accompanying notes.

Advanced Composites, Inc. and Subsidiary

Consolidated Statements of Income

(Dollars in Thousands)

	Year Ended March 31	
	2022	2021
Net sales	\$ 1,047,529	\$ 707,155
Cost of goods sold	866,400	578,407
Gross profit	181,129	128,748
Selling, general, and administrative expenses	58,492	53,059
Operating income	122,637	75,689
Other (income) expense:		
Gain on retirement of property, plant, and equipment	(150)	(44)
Interest income	(234)	(362)
Interest expense	1,371	1,496
Other, net	6,082	(545)
Total other (income) expense	7,069	546
Income before income taxes	115,568	75,143
Income tax expense	22,214	17,830
Net income	\$ 93,354	\$ 57,313

Consolidated Statements of Comprehensive Income

(Dollars in Thousands)

Net income	\$ 93,354	\$ 57,313
Other comprehensive income (loss):		
Unrealized gain (loss) on defined benefit plan	54	(2)
Comprehensive income	\$ 93,408	\$ 57,311

See accompanying notes.

Advanced Composites, Inc. and Subsidiary

Consolidated Statements of Stockholders' Equity
(Dollars in Thousands)

	Common Stock		Additional		Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount	Paid-In Capital				
Balances at March 31, 2020	181,037	\$ 14,100	\$ 30,167	\$ 391,289	\$ (130)	\$ 435,426	
Net income	—	—	—	57,313	—	57,313	
Other comprehensive loss	—	—	—	—	(2)	(2)	
Payment of dividends	—	—	—	(51,703)	—	(51,703)	
Balances at March 31, 2021	181,037	14,100	30,167	396,899	(132)	441,035	
Net income	—	—	—	93,354	—	93,354	
Other comprehensive income	—	—	—	—	54	54	
Share repurchase	(18,489)	(1,440)	(30,750)	(32,760)	—	(64,950)	
Payment of dividends	—	—	—	(33,987)	—	(33,987)	
Balances at March 31, 2022	162,548	\$ 12,660	\$ (583)	\$ 423,507	\$ (77)	\$ 435,506	

See accompanying notes.

Advanced Composites, Inc. and Subsidiary

Consolidated Statements of Cash Flows

(Dollars in Thousands)

	Year Ended March 31	
	2022	2021
Operating activities		
Net income	\$ 93,354	\$ 57,313
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	20,164	17,707
Asset impairment	18	—
Gain on retirement of property, plant, and equipment	(150)	(44)
Deferred income taxes	2,098	2,255
Changes in operating assets and liabilities:		
Accounts receivable	(71,355)	(9,113)
Inventories	(15,835)	(32,121)
Prepaid expenses	(1,066)	(143)
Income tax receivable	(10,619)	(1,817)
Other assets	2,215	(466)
Accounts payable	16,548	23,288
Accrued expenses and other current liabilities	81	(1,699)
Other long-term liabilities	232	63
Net cash provided by operating activities	35,685	55,223
Investing activities		
Purchases of property, plant, and equipment	(3,439)	(9,394)
Proceeds from sale of property, plant, and equipment	303	167
Net cash used in investing activities	(3,136)	(9,227)
Financing activities		
Payment on related-party deposit agreement	(1,000)	(2,600)
Payment of dividends	(33,987)	(51,703)
Payment to repurchase shares	(64,950)	—
Payments on obligation under finance leases	(853)	(751)
Net cash used in financing activities	(100,790)	(55,054)
Net decrease in cash and cash equivalents	(68,241)	(9,058)
Cash and cash equivalents, beginning of year	154,427	163,485
Cash and cash equivalents, end of year	\$ 86,186	\$ 154,427
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 1,371	\$ 1,501
Cash paid for income taxes, net	\$ 28,831	\$ 18,117
Significant non-cash transactions:		
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 1,437	\$ 1,167
Increase (decrease) in capital expenditures recorded in accounts payable	\$ 62	\$ (1,171)

See accompanying notes.

Advanced Composites, Inc. and Subsidiary

Notes to Consolidated Financial Statements (Dollars in Thousands)

March 31, 2022

1. General

Description of Business

Advanced Composites, Inc. (ACP) and its wholly owned subsidiary, Advanced Composites Mexicana, S.A. de C.V. (ACP Mexicana) (collectively, the Company), are engaged in the manufacturing of composite plastic materials for sale to companies primarily in the automotive industry. The Company operates facilities in Sidney, Ohio; Nashville, Tennessee; and Aguascalientes, Mexico.

The Company's five largest (non-related-party) customers represented approximately 45% and 50% of non-related-party sales for the years ended March 31, 2022 and 2021, respectively. The top five customers represented approximately 30% and 41% of the net trade accounts receivable balance as of March 31, 2022 and 2021, respectively. The Company's two largest (non-related-party) suppliers accounted for approximately 72% and 63% of non-related-party purchases for the years ended March 31, 2022 and 2021, respectively.

Company

The Company, an Ohio corporation, was formed on January 1, 2003, when Color & Composite Technologies, Inc. merged with ATC, Inc. and Subsidiary. After the repurchase of 18,849 shares from Marubeni America Corporation for \$64,950 on January 14, 2022, the Company's outstanding common stock is owned by Mitsui Chemicals America, Inc. (MCA, a wholly owned subsidiary of Mitsui Chemicals, Inc. (Mitsui Chemicals), the Company's ultimate parent company); Mitsui & Co., Ltd.; Mitsui Plastics, Inc.; and Prime Polymer Co., Ltd. (Prime Polymer), each holding an ownership percentage of 66.6%, 24.4%, 5.7%, and 3.3%, respectively.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the financial statements of ACP and its wholly owned subsidiary, ACP Mexicana. All intercompany balances and transactions have been eliminated in consolidation.

Advanced Composites, Inc. and Subsidiary

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

The Company considers cash equivalents to be any highly liquid investments with original maturities of three months or less.

Trade Accounts Receivable

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. The Company determines the allowance based on reviewing specific customer account balances more than 90 days past due and current market conditions. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company does not have any off-balance sheet credit exposure related to its customers.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined using either the first-in, first-out method or the specific-identification method for all inventories.

Depreciation and Maintenance and Repairs

Property, plant, and equipment are stated at cost, less accumulated depreciation and impairment charges, if any (see Note 4). Depreciation of property, plant, and equipment is calculated on the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized on a straight-line basis over the shorter of the lease term or estimated useful life of the asset. Assets under finance lease are amortized over the shorter of the remaining useful life of the right-of-use asset or the end of the lease term of the underlying asset. The estimated useful lives are as follows:

	<u>Years</u>
Buildings and improvements	7–35
Machinery and equipment	4–11
Computers, furniture, and fixtures	3–15

Advanced Composites, Inc. and Subsidiary

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Summary of Significant Accounting Policies (continued)

Expenditures for maintenance and repairs are charged to expense as incurred. Expenditures for renewals and betterments are capitalized and depreciated over their related estimated useful lives.

Impairment of Long-Lived Assets

In accordance with Accounting Standards Codification (ASC) 360, *Property, Plant, and Equipment*, property, plant, and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Recoverability of an asset to be held and used is measured by a comparison of the carrying amount of the asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset. Long-lived assets to be disposed of and/or meeting the criteria to be classified as held for sale are presented separately on the consolidated balance sheets and are reported at the lower of the carrying amount or fair value less costs to sell and are no longer depreciated. Impairment charges of \$18 and \$0 were recognized for the years ended March 31, 2022 and 2021, respectively pursuant to ASC 360.

Revenue Recognition

Revenue is recognized at a point in time when the transfer of control of the Company's product is completed, which is generally on delivery of the product to the customer. Revenue is measured at the amount of consideration the Company expects to receive in exchange for transferring the goods. Payment terms are clearly identified in the Company's contracts and collectibility is probable.

The Company's revenues disaggregated by major source and regions are as follows for the years ended March 31:

	2022	2021
Sale of finished goods:		
ACP	\$ 798,060	\$ 553,176
ACP Mexicana	248,937	153,409
Royalty income	532	570
Net sales	<u>\$ 1,047,529</u>	<u>\$ 707,155</u>

Advanced Composites, Inc. and Subsidiary

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Summary of Significant Accounting Policies (continued)

Income Taxes

Income taxes are accounted for under the asset and liability method, pursuant to ASC 740, *Income Taxes*. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recorded when management concludes that it is more likely than not that some portion or all of the deferred tax assets will not be realized in future periods. The Company recognizes tax positions that are more likely than not to be sustained based on the technical merits of the position. Interest and penalties are recorded when required by applicable statute and presented within income tax expense.

Shipping and Handling Fees and Costs

The Company classifies shipping and handling fees billed to customers in net sales. Amounts paid to third-party carriers for delivery of products to customers are classified as selling, general, and administrative expenses, and were \$20,122 and \$16,977 for the years ended March 31, 2022 and 2021, respectively.

Research and Development Costs

The Company's research and development costs relate to the development of new composite plastic products. Such costs are expensed as incurred. These costs amounted to \$10,137 and \$9,413 for the years ended March 31, 2022 and 2021, respectively, and are included in selling, general, and administrative expenses in the accompanying consolidated statements of income.

Insurance and Claims

The Company is self-insured for employee medical claims within established retention levels. Medical claims in excess of retention levels are generally covered by insurance in amounts the Company considers adequate. Self-insurance reserves represent the Company's estimated liability for the uninsured portion of pending claims, plus an estimated liability for incurred but not reported

Advanced Composites, Inc. and Subsidiary

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Summary of Significant Accounting Policies (continued)

claims and loss development on all claims and are included in accrued expenses and other current liabilities in the accompanying consolidated balance sheets. The Company records medical claims expenses in cost of goods sold, and selling, general, and administrative expenses in the accompanying consolidated statements of income.

Leases

At lease inception, the Company determines whether an arrangement is or contains a lease. Operating leases are included in operating lease right-of-use (ROU) assets, current operating lease liabilities, and noncurrent operating lease liabilities in the consolidated financial statements. Finance leases are included in finance lease ROU assets, current finance lease liabilities, and noncurrent finance lease liabilities.

ROU assets represent the Company's right to use leased assets over the term of the lease. Lease liabilities represent the Company's contractual obligation to make lease payments over the lease term.

For operating leases, ROU assets and lease liabilities are recognized at the commencement date. The lease liability is measured as the present value of the lease payments over the lease term. The Company uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, the Company uses its incremental borrowing rate at the commencement date of the leases to determine the present value of the lease payments. Operating lease ROU assets are calculated as the present value of the lease payments plus initial direct costs, plus any prepayments less any lease incentives received. Lease terms may include renewal or extension options to the extent that they are reasonably certain to be exercised. The Company has elected not to recognize an ROU asset and obligation for leases with an initial term of 12 months or less. The expense associated with short-term leases is not material to the consolidated financial statements.

For finance leases, after lease commencement the lease liability is measured on an amortized cost basis and increased to reflect interest on the liability and decreased to reflect the lease payment made during the period. Interest on the lease liability is determined each period during the lease term as the amount that results in a constant period discount rate on the remaining balance of the liability. The finance lease ROU assets are subsequently measured at cost, less any accumulated amortization. The discount rate used by the Company for finance leases is the rate implicit in the lease.

Advanced Composites, Inc. and Subsidiary

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of the consolidated financial statements requires management of the Company to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the carrying amount of property, plant, and equipment, and valuation allowances for receivables, inventories, and deferred income tax assets. Actual results could differ from those estimates.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses and other current liabilities approximate fair value due to the short maturity of these instruments.

Foreign Currency Transactions

The functional currency of ACP Mexicana is the U.S. dollar. The majority of the transactions of ACP Mexicana are denominated in U.S. dollars. Certain transactions related to income taxes, payroll, and labor obligations are denominated in Mexican pesos. Such transactions are translated from Mexican pesos into U.S. dollars based on the exchange rate in effect on the transaction settlement date. The resulting translation gains of \$419 and \$71 for the years ended March 31, 2022 and 2021, respectively, are reflected in other (income) expense in other, net in the accompanying consolidated statements of income.

Recent Accounting Pronouncements

In December 2019, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*. This guidance simplifies the complexity in accounting for income taxes while simultaneously improving or maintaining the usefulness of the information provided to users of financial statements. This ASU removes certain exceptions to the guidance in ASC 740 related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period, and the recognition of deferred tax liabilities for outside basis differences. This

Advanced Composites, Inc. and Subsidiary

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Summary of Significant Accounting Policies (continued)

guidance will be effective for fiscal years beginning after December 15, 2021. The Company is evaluating the effects that the adoption of this guidance will have on its consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaces the incurred loss methodology previously employed to measure credit losses for most financial assets and requires the use of a forward-looking expected loss model. Under current accounting guidance, credit losses are recognized when it is probable a loss has been incurred. The updated guidance will require financial assets to be measured at amortized cost less a reserve, equal to the net amount expected to be collected. This standard will be effective for annual periods beginning after December 15, 2022, including interim periods within those fiscal years, with early adoption permitted. The Company is evaluating the effects that the adoption of this guidance will have on its consolidated financial statements.

3. Inventories

Inventories consisted of the following at March 31:

	2022	2021
Raw materials	\$ 119,866	\$ 106,277
Finished goods	77,948	78,325
	197,814	184,602
Less allowance for obsolescence	(5,125)	(7,748)
Inventories	<u>\$ 192,689</u>	<u>\$ 176,854</u>

The Company determined that \$5,125 and \$7,748 of its inventory was obsolete or in excess of quantities expected to be sold as of March 31, 2022 and 2021, respectively. Adjustments to the Company's allowance for obsolescence occur in the normal course of business and are therefore included in cost of goods sold in the accompanying consolidated statements of income.

Advanced Composites, Inc. and Subsidiary

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

4. Property, Plant, and Equipment

Property, plant, and equipment consisted of the following at March 31:

	<u>2022</u>	<u>2021</u>
Land	\$ 4,769	\$ 4,769
Buildings and improvements	64,454	64,102
Machinery and equipment	192,105	190,822
Computers, furniture, and fixtures	10,737	10,558
Construction-in-progress	2,504	2,546
	<u>274,569</u>	<u>272,797</u>
Less accumulated depreciation	(171,993)	(155,913)
	<u>\$ 102,576</u>	<u>\$ 116,884</u>

Depreciation expense for the years ended March 31, 2022 and 2021 was \$18,792 and \$17,968, respectively.

5. Credit Facilities

In June 2021, ACP Mexicana renewed existing unsecured revolving lines of credit with a third-party bank. Under this agreements, ACP Mexicana may borrow up to \$10,000. This agreement has an expiration date of June 30, 2022. There were no outstanding borrowings on this line of credit at March 31, 2022 or 2021.

In May 2021, ACP renewed an existing unsecured revolving line of credit with a third-party bank, with an expiration date of May 31, 2022. Under this agreement, the Company may borrow up to \$30,000. There were no outstanding borrowings on this line of credit at March 31, 2022 or 2021.

In May 2014, ACP renewed an existing unsecured revolving line of credit with a third-party bank, under which the Company may borrow up to \$50,000. This agreement has no expiration date. There were no outstanding borrowings on this line of credit at March 31, 2022 or 2021.

These lines of credit referred to above contain requirements of the Company to deliver certain information to the banks and preserve and maintain a normal conduct of business. The Company was in compliance with these requirements at March 31, 2022 and 2021.

Advanced Composites, Inc. and Subsidiary

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

5. Credit Facilities (continued)

Several of the Company's unsecured revolving lines of credit have expiration dates occurring during the fiscal year ending March 31, 2023 or are due upon demand. These lines of credit contain subjective acceleration clauses whereby if the lenders deem that a material adverse change in the Company's financial condition or operations has occurred, the lenders may put the Company in default under these agreements. Additionally, under the terms of the revolving credit agreements, the Company's lenders have the discretionary right to deny or restrict the Company's ability to secure borrowings under these agreements. As of March 31, 2022, and through the date of issuance of these financial statements, there were no events of default or notifications that funding will be restricted or denied under existing or amended revolving lines of credit. In the event that one or more of the Company's lenders elect to deny access to funds either by virtue of their respective discretionary rights or because they have subjectively determined that an event of default has occurred due to a material adverse change, management believes that the Company has sufficient working capital, cash flows from operations, and access to alternative sources of funds to fund working capital and operational needs.

6. Related-Party Transactions

The Company, in the ordinary course of business, purchases raw materials from and sells finished goods to related parties. Significant transactions and balances with related parties from such activities were as follows as of and for the years ended March 31:

	2022	2021
Sales	\$ 159,250	\$ 151,225
Purchases of inventory	84,088	84,514
Accounts receivable	13,301	14,003
Accounts payable	16,298	16,632

Advanced Composites, Inc. and Subsidiary

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

6. Related-Party Transactions (continued)

In April 2019, the Company received a deposit from its majority shareholder, MCA, of \$13,600 for the Company to use in acquiring the necessary machinery and equipment to manufacture a new product to initially be sold solely to MCA. The Company began to repay the deposit in 2021 as the related assets were placed into service during the year. A payment schedule has been agreed upon that provides for payments through September 2030. Scheduled payments of \$1,000 and \$2,600 were made during the years ended March 31, 2022 and 2021, respectively. For years until 2030, \$1,000 will be payable annually and finish with a lumpsum payment of \$2,000. The Company has recorded the current portion of the related-party payable, \$1,000, in current liabilities and the remaining \$9,000 in non-current liabilities on the consolidated balance sheets.

During the years ended March 31, 2022 and 2021, the Company paid \$5,678 and \$5,873, respectively, to related parties for various services and fees. These amounts, which include the related-party royalties discussed in further detail in Note 9, are included in selling, general, and administrative expenses in the accompanying consolidated statements of income.

7. Foreign Operations

The following balances and amounts, prior to eliminations and adjustments, related to ACP Mexicana are included in the accompanying consolidated balance sheets and statements of income of the Company as of and for the years ended March 31:

	2022	2021
Current assets	\$ 121,883	\$ 107,162
Total assets	147,656	138,557
Current liabilities	30,453	32,120
Total liabilities	32,360	33,981
Net sales	248,937	153,409
Net income	17,933	12,111

Advanced Composites, Inc. and Subsidiary

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

8. Income Taxes

The components of income tax expense for the years ended March 31 are as follows:

	<u>2022</u>	<u>2021</u>
Current	\$ 20,114	\$ 14,818
Deferred, net	2,100	3,012
Income tax expense	<u>\$ 22,214</u>	<u>\$ 17,830</u>

The components of deferred income taxes as of March 31 are as follows:

	<u>2022</u>	<u>2021</u>
Deferred tax assets:		
Finance lease liabilities	\$ 3,167	\$ 3,372
Operating lease liabilities	1,194	1,504
Accrued expenses	1,029	3,305
Inventories	1,213	2,770
Allowance for doubtful accounts	243	125
Other	1,277	354
Total deferred tax assets	<u>8,123</u>	<u>11,430</u>
Deferred tax liabilities:		
ROU asset – operating leases	(1,154)	(1,470)
ROU asset – finance leases	(2,315)	(2,591)
Property, plant, and equipment	(12,702)	(15,773)
Other	(2,800)	(346)
Total deferred tax liabilities	<u>(18,971)</u>	<u>(20,180)</u>
Net deferred tax liabilities	<u>\$ (10,848)</u>	<u>\$ (8,750)</u>
Noncurrent deferred tax assets (ACP Mexicana)	\$ 686	\$ 2,951
Noncurrent deferred tax liabilities (ACP)	<u>(11,534)</u>	<u>(11,701)</u>
Total net deferred tax liabilities	<u>\$ (10,848)</u>	<u>\$ (8,750)</u>

Advanced Composites, Inc. and Subsidiary

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

8. Income Taxes (continued)

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income of the appropriate character during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management concluded that no valuation allowance is necessary at March 31, 2022 and 2021, as management believes the total gross deferred tax assets represent the amount that will more likely than not be realized.

The difference between the Company's income tax expense and income tax expense computed at the statutory U.S. federal income tax rate of 21% is primarily due to state taxes, foreign taxes, tax credits, gains and losses recognized for tax purposes, the effects of intercompany dividends, and the expected favorable U.S. tax benefits from an Advance Pricing Agreement finalized between the U.S. and Japan taxing authorities.

There was no liability for unrecognized tax positions on the Company's consolidated balance sheet at March 31, 2021. On the consolidated balance sheet at March 31, 2022, the Company has recorded an unrecognized tax position reserve of \$1,500 related to a state amended return refund position. The Company did not record any income tax expense (benefit) related to unrecognized tax positions in the consolidated statements of income.

Undistributed earnings of the Company's foreign subsidiary amounted to \$113,356 and \$102,691 at March 31, 2022 and 2021, respectively. All earnings accumulated prior to April 1, 2018, and 40% of the amounts accumulated after that date are considered to be indefinitely reinvested. On December 22, 2017, the Tax Cuts and Jobs Act (TCJA) was enacted. This legislation revised the U.S. corporate income tax system by, among other things, lowering the statutory tax rate, implementing a territorial tax system, and imposing a one-time tax on deemed repatriated earnings of non-U.S. subsidiaries. Certain provisions of the TCJA have subjected the foreign undistributed earnings to federal tax. Additional taxes due with respect to such earnings, or the excess of the amount for financial reporting over the tax basis of the foreign subsidiary, would generally be limited to foreign withholding and state income taxes. Accordingly, management recorded the tax impact of current year earnings to be distributed.

Advanced Composites, Inc. and Subsidiary

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

8. Income Taxes (continued)

In March 2020, the Company was informed by the State of Tennessee that its franchise and excise tax returns for the years ended March 31, 2016, 2017, and 2018 would be subject to audit, which commenced during the year ended March 31, 2021. No material adjustments or additional tax liabilities have been proposed at this time. The Company's federal tax returns for the year ended March 31, 2019 and beyond remain subject to examination. The majority of the Company's state and local tax returns for the year ended March 31, 2019 and beyond remain subject to examination, while others remain subject to examination from March 31, 2018 and beyond. Foreign tax returns remain open for examination for the years ended December 31, 2017 and thereafter.

9. Commitments

Leases

The Company has operating leases on land, buildings, and equipment with remaining lease terms of up to 10 years. At March 31, 2022, the weighted average remaining lease term was 5.1 years and the weighted average discount rate was 4.1%. The operating lease cost for the year ended March 31, 2022 was \$2,128 and is reflected in cost of goods sold and selling, general, and administrative expense in the consolidated statement of income. Cash paid for amounts included in the measurement of operating lease liabilities of \$1,726 is reflected in the cash flows from operating activities in the consolidated statement of cash flows for the year ended March 31, 2022.

The Company has ROU assets under finance lease (consisting of three buildings) totaling \$16,931 with corresponding accumulated depreciation of \$7,285 at March 31, 2022. Amortization expense for ROU assets under finance leases was \$1,155 for the year ended March 31, 2022. At March 31, 2022, the weighted average remaining lease term was 8.7 years and the weighted average discount rate was 9.8%.

At March 31, 2021, the weighted average remaining lease term was 6.1 years and the weighted average discount rate was 4.9%. The operating lease cost for the year ended March 31, 2021 was \$1,327 and is reflected in cost of goods sold and selling, general, and administrative expense in the consolidated statement of income. Cash paid for amounts included in the measurement of operating lease liabilities of \$1,191 is reflected in the cash flows from operating activities in the consolidated statement of cash flows for the year ended March 31, 2021.

Advanced Composites, Inc. and Subsidiary

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

9. Commitments (continued)

The Company has ROU assets under finance lease (consisting of three buildings) totaling \$16,931 with corresponding accumulated depreciation of \$6,131 at March 31, 2021. Amortization expense for ROU assets under finance leases was \$1,153 for the year ended March 31, 2021. At March 31, 2021, the weighted average remaining lease term was 9.6 years and the weighted average discount rate was 9.9%.

Future minimum lease payments under operating leases (with initial or remaining lease terms in excess of one year) and future minimum finance lease payments as of March 31, 2022, are as follows:

	Finance Leases	Operating Leases
Year ending March 31:		
2023	\$ 2,254	\$ 1,782
2024	2,301	1,949
2025	2,348	1,771
2026	2,397	837
2027	2,123	582
Thereafter	8,654	1,380
Total minimum lease payments	20,077	8,301
Less amount representing interest	(6,796)	(950)
Present value of lease liabilities	<u>\$ 13,281</u>	<u>\$ 7,351</u>

Rent expense for the years ended March 31, 2022 and 2021, was \$2,499 and \$2,169, respectively.

Royalties

The Company pays royalties to Prime Polymer, a stockholder, based on the net sales price of certain licensed products. The royalty rate under the agreement is 1.5% of net sales of composite plastic materials. The Company also has a royalty agreement with Mitsui Chemicals, the ultimate parent company, based on the net sales price of certain licensed products at a rate of 4.0% of net sales of composite plastic materials. The Company has a royalty agreement with Advanced Composites Europe GmbH (formerly Mitsui Chemicals Europe), a related party, based on net sales of certain licensed products at the rate of 1.5% of net sales of composite plastic materials. During

Advanced Composites, Inc. and Subsidiary

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

9. Commitments (continued)

the years ended March 31, 2022 and 2021, the Company recorded royalty expense totaling \$954 and \$727, respectively, related to Prime Polymer; \$210 and \$159, respectively, related to Mitsui Chemicals; and \$88 and \$16, respectively, related to Advanced Composites Europe, which are reflected in selling, general, and administrative expenses in the accompanying consolidated statements of income. The royalty agreements with Prime Polymer, Mitsui Chemicals, and Advanced Composites Europe do not have any expiration dates.

10. Employee Benefit Plans

The Company has a 401(k) retirement savings plan, which covers substantially all domestic employees meeting certain age and time of service requirements. The plan is funded by elective participant contributions and matching company contributions. The total expense for the plan, including the discretionary contribution recorded by the Company, was \$1,153 and \$1,049 for the years ended March 31, 2022 and 2021, respectively.

ACP Mexicana is obligated for certain pensions; seniority premium benefits; and, beginning in 2006, severance compensation, for reasons other than restructuring, to which employees are entitled by law. The expense recorded for these plans for the years ended March 31, 2022 and 2021 was \$263 and \$195, respectively, and is included in selling, general, and administrative expenses in the accompanying consolidated statements of income. The plans have an unfunded liability balance of \$1,182 and \$1,005 as of March 31, 2022 and 2021, respectively, which is included in other long-term liabilities in the accompanying consolidated balance sheets. The Company recognized an unrealized gain of \$54, net of tax, and unrealized loss of \$2, net of tax, related to the unfunded liability of the plans in other comprehensive loss in the consolidated statements of comprehensive income for the years ended March 31, 2022 and 2021, respectively. The Company has not included additional disclosures herein due to the plans' immateriality to the consolidated financial statements as a whole.

In addition, ACP Mexicana provides employee profit-sharing benefits, which are paid annually and are determined based on taxable income (tax basis). As of March 31, 2022 and 2021, the Company recorded an employee profit-sharing liability of \$2,339 and \$2,672, respectively, which is included in accrued expenses and other current liabilities in the accompanying consolidated balance sheets. Temporary differences between book and taxable income result in deferred employee profit-sharing assets. At March 31, 2022 and 2021, the Company recorded current deferred employee profit sharing of \$708 and \$369, respectively, which is included in other assets in the accompanying consolidated balance sheets.

Advanced Composites, Inc. and Subsidiary

Notes to Consolidated Financial Statements (continued)
(Dollars in Thousands)

11. Contingencies

The Company is involved at times in various litigation and claims arising out of the normal course of its business. Management believes that the final outcome of these matters will not materially affect the future consolidated financial position, results of operations, or cash flows of the Company.

12. Subsequent Events

Management has evaluated subsequent events through May 23, 2022, which is the date the accompanying consolidated financial statements were issued.

Supplementary Schedules

Advanced Composites, Inc. and Subsidiary

Supplementary Schedule – Balance Sheet Information (Dollars in Thousands)

March 31, 2022

	Advanced Composites, Inc.	Advanced Composites Mexicana, S.A. de C.V.	Total	Eliminations and Adjustments	Consolidated
Assets					
Current assets:					
Cash and cash equivalents	\$ 61,454	\$ 24,732	\$ 86,186	\$ –	\$ 86,186
Accounts receivable:					
Trade, net of allowance for doubtful accounts of \$958	83,483	36,888	120,371	–	120,371
Related parties	15,343	1,696	17,039	(3,738)	13,301
Rebates receivable	25,701	9,062	34,763	–	34,763
Total accounts receivable	124,527	47,646	172,173	(3,738)	168,435
Inventories	148,380	44,309	192,689	–	192,689
Prepaid expenses	2,196	985	3,181	–	3,181
Income tax receivable	8,493	4,211	12,704	–	12,704
Other current assets	385	–	385	–	385
Total current assets	345,435	121,883	467,318	(3,738)	463,580
Property, plant, and equipment, net	78,696	23,880	102,576	–	102,576
Finance lease – right-of-use asset, net	9,646	–	9,646	–	9,646
Operating lease – right-of-use asset	6,273	1,167	7,440	–	7,440
Long-term investments	2,600	–	2,600	(2,600)	–
Deferred income taxes	–	686	686	–	686
Other assets	177	40	217	–	217
Total assets	\$ 442,827	\$ 147,656	\$ 590,483	\$ (6,338)	\$ 584,145
Liabilities and stockholders' equity					
Current liabilities:					
Accounts payable:					
Trade	\$ 46,249	\$ 20,020	\$ 66,269	\$ –	\$ 66,269
Related parties	13,899	6,137	20,036	(3,738)	16,298
Total accounts payable	60,148	26,157	86,305	(3,738)	82,567
Related-Party Deposit Payable	1,000	–	1,000	–	1,000
Current portion of obligation under finance leases	990	–	990	–	990
Current portion of obligation under operating leases	1,309	134	1,443	–	1,443
Accrued expenses and other current liabilities	18,606	4,162	22,768	–	22,768
Total current liabilities	82,053	30,453	112,506	(3,738)	108,768
Related-party deposit payable	9,000	–	9,000	–	9,000
Deferred income taxes	11,534	–	11,534	–	11,534
Obligation under finance leases, less current portion	12,291	–	12,291	–	12,291
Obligation under operating leases, less current portion	5,139	725	5,864	–	5,864
Other long-term liabilities	–	1,182	1,182	–	1,182
Total liabilities	120,017	32,360	152,377	(3,738)	148,639
Stockholders' equity:					
Common stock	12,660	2,600	15,260	(2,600)	12,660
Additional paid-in capital	–	(583)	(583)	–	(583)
Retained earnings	310,150	113,356	423,506	–	423,506
Accumulated other comprehensive loss	–	(77)	(77)	–	(77)
Total stockholders' equity	322,810	115,296	438,106	(2,600)	435,506
Total liabilities and stockholders' equity	\$ 442,827	\$ 147,656	\$ 590,483	\$ (6,338)	\$ 584,145

Advanced Composites, Inc. and Subsidiary

Supplementary Schedule – Balance Sheet Information

(Dollars in Thousands)

March 31, 2021

	Advanced Composites, Inc.	Advanced Composites Mexicana, S.A. de C.V.	Total	Eliminations and Adjustments	Consolidated
Assets					
Current assets:					
Cash and cash equivalents	\$ 114,289	\$ 40,138	\$ 154,427	\$ –	\$ 154,427
Accounts receivable:					
Trade, net of allowance for doubtful accounts of \$591	59,736	23,342	83,078	–	83,078
Related parties	14,569	1,895	16,464	(2,461)	14,003
Total accounts receivable	74,305	25,237	99,542	(2,461)	97,081
Inventories	135,859	40,995	176,854	–	176,854
Prepaid expenses	1,322	793	2,115	–	2,115
Income tax receivable	2,085	–	2,085	–	2,085
Other current assets	1,844	–	1,844	–	1,844
Total current assets	329,704	107,163	436,867	(2,461)	434,406
Property, plant, and equipment, net	90,486	26,398	116,884	–	116,884
Finance lease – right-of-use asset, net	10,799	–	10,799	–	10,799
Operating lease – right-of-use asset	6,127	1,249	7,376	–	7,376
Long-term investments	2,600	–	2,600	(2,600)	–
Deferred income taxes	–	2,951	2,951	–	2,951
Other assets	177	796	973	–	973
Total assets	\$ 439,893	\$ 138,557	\$ 578,450	\$ (5,061)	\$ 573,389
Liabilities and stockholders' equity					
Current liabilities:					
Accounts payable:					
Trade	\$ 26,926	\$ 22,399	\$ 49,325	\$ –	\$ 49,325
Related parties	15,094	3,999	19,093	(2,461)	16,632
Total accounts payable	42,020	26,398	68,418	(2,461)	65,957
Current portion of related-party deposit payable	1,000	–	1,000	–	1,000
Current portion of obligation under finance leases	853	–	853	–	853
Current portion of obligation under operating leases	1,159	172	1,331	–	1,331
Accrued expenses and other current liabilities	15,706	5,629	21,335	–	21,335
Total current liabilities	60,738	32,199	92,937	(2,461)	90,476
Related-party deposit payable	10,000	–	10,000	–	10,000
Deferred income taxes	11,701	–	11,701	–	11,701
Obligation under finance leases, less current portion	13,281	–	13,281	–	13,281
Obligation under operating leases, less current portion	5,115	777	5,892	–	5,892
Other long-term liabilities	–	1,005	1,005	–	1,005
Total liabilities	100,835	33,981	134,816	(2,461)	132,355
Stockholders' equity:					
Common stock	14,100	2,600	16,700	(2,600)	14,100
Additional paid-in capital	30,750	(583)	30,167	–	30,167
Retained earnings	294,208	102,691	396,899	–	396,899
Accumulated other comprehensive loss	–	(132)	(132)	–	(132)
Total stockholders' equity	339,058	104,576	443,634	(2,600)	441,034
Total liabilities and stockholders' equity	\$ 439,893	\$ 138,557	\$ 578,450	\$ (5,061)	\$ 573,389

Advanced Composites, Inc. and Subsidiary

Supplementary Schedule – Statement of Income Information

(Dollars in Thousands)

Year Ended March 31, 2022

	Advanced Composites, Inc.	Advanced Composites Mexicana, S.A. de C.V.	Total	Eliminations and Adjustments	Consolidated
Net sales	\$ 811,696	\$ 248,937	\$ 1,060,633	\$ (13,104)	\$ 1,047,529
Cost of goods sold	663,527	203,897	867,424	(1,024)	866,400
Gross profit	148,169	45,040	193,209	(12,080)	181,129
Selling, general, and administrative expenses	49,343	21,229	70,572	(12,080)	58,492
Operating income	98,826	23,811	122,637	–	122,637
Other (income) expense:					
Dividend income	(7,267)	–	(7,267)	7,267	–
(Gain) loss on retirement of property, plant, and equipment	(160)	10	(150)	–	(150)
Interest income	(62)	(172)	(234)	–	(234)
Interest expense	1,356	15	1,371	–	1,371
Other, net	6,506	(424)	6,082	–	6,082
Total other income	373	(571)	(198)	7,267	7,069
Income before income taxes	98,453	24,382	122,835	(7,267)	115,568
Income tax expense	15,765	6,449	22,214	–	22,214
Net income	\$ 82,688	\$ 17,933	\$ 100,621	\$ (7,267)	\$ 93,354

Royalties

ACP Mexicana pays a 5% royalty on its net sales of polypropylene materials to ACP. During the year ended March 31, 2022, ACP Mexicana recorded royalty expense totaling \$12,080, which is reflected in selling, general, and administrative expenses in the supplementary schedule – statement of income information, and ACP recorded royalty income of \$12,080, which is reflected in net sales in the supplementary schedule – statement of income information. Royalty income and royalty expense of \$12,080 are eliminated in consolidation. In addition, ACP received a dividend of \$7,267 from ACP Mexicana representing certain accumulated earnings from ACP Mexicana, which is eliminated in consolidation.

Advanced Composites, Inc. and Subsidiary

Supplementary Schedule – Statement of Income Information

(Dollars in Thousands)

Year Ended March 31, 2021

	Advanced Composites, Inc.	Advanced Composites Mexicana, S.A. de C.V.	Total	Eliminations and Adjustments	Consolidated
Net sales	\$ 561,888	\$ 153,409	\$ 715,297	\$ (8,142)	\$ 707,155
Cost of goods sold	458,100	121,065	579,165	(758)	578,407
Gross profit	103,788	32,344	136,132	(7,384)	128,748
Selling, general, and administrative expenses	45,315	15,128	60,443	(7,384)	53,059
Operating income	58,473	17,216	75,689	–	75,689
Other (income) expense:					
Dividend income	(11,442)	–	(11,442)	11,442	–
(Gain) loss on retirement of property, plant, and equipment	(65)	21	(44)	–	(44)
Interest income	(140)	(222)	(362)	–	(362)
Interest expense	1,485	11	1,496	–	1,496
Other, net	(474)	(71)	(545)	–	(545)
Total other (income) expense	(10,636)	(260)	(10,896)	11,442	546
Income before income taxes	69,109	17,476	86,585	(11,442)	75,143
Income tax expense	12,465	5,365	17,830	–	17,830
Net income	\$ 56,644	\$ 12,111	\$ 68,755	\$ (11,442)	\$ 57,313

Royalties

ACP Mexicana pays a 5% royalty on its net sales of polypropylene materials to ACP. During the year ended March 31, 2021, ACP Mexicana recorded royalty expense totaling \$7,384, which is reflected in selling, general, and administrative expenses in the supplementary schedule – statement of income information, and ACP recorded royalty income of \$7,384, which is reflected in net sales in the supplementary schedule – statement of income information. Royalty income and royalty expense of \$7,384 are eliminated in consolidation. In addition, ACP received a dividend of \$11,442 from ACP Mexicana representing certain accumulated earnings from ACP Mexicana, which is eliminated in consolidation.

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SCHEDULE OF ASSETS (HELD AT END OF YEAR)

Advanced Composites Inc 401(K) Retirement Plan

01-JAN-21 to 31-DEC-21

14-JAN-22 03:06:03

INVESTMENT OPTION	MATURITY DATE	INTEREST RATE	COST OF ASSETS	CURRENT VALUE
1VTINX			268,655.06	275,770.78
1VTWNX			222,204.72	226,234.08
1VTTVX			21,065.12	22,087.37
1VTHRX			467,368.35	523,522.41
1VTTHX			47,896.02	55,721.04
1VFORX			389,800.71	444,012.82
1VTIVX			135,535.21	150,947.88
1VFIFX			214,117.53	266,000.88
1VFFVX			53,215.06	62,436.54
1PIUIX			5,534,440.71	6,216,329.95
1CSZIX			2,052,230.52	2,784,563.27
1TQAIX			790,885.14	972,567.83
1VSMAX			1,186,740.68	1,380,804.26
1VSIAX			1,173,361.06	1,572,826.41
1MEFZX			1,554,679.93	1,783,675.37
1VIMAX			273,554.53	446,284.38
1VEVRX			2,658,145.24	3,153,020.85
1DDVIX			1,562,052.91	1,584,328.10
1PFGKX			1,995,306.24	2,553,237.75
1VLCAX			4,196,624.10	7,027,440.01
1RLBGX			3,503,850.64	3,813,860.58
1PBFKX			3,758,123.11	3,683,595.44
1KGPF		.900	5,307,187.21	5,605,462.09
			37,367,039.80	44,604,730.09
PARTICIPANT LOANS	VARIOUS	4.250-9.250	695,533.05	695,407.24
FORFEITURES			117,003.99	124,079.22

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

GA

Advanced Composites Inc 401(K) Retirement Plan**01-JAN-21 to 31-DEC-21****14-JAN-22 03:06:03**

INVESTMENT OPTION	MATURITY DATE	INTEREST RATE	COST OF ASSETS	CURRENT VALUE
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LEGEND

INVESTMENT OPTION:

1VTINX Vanguard Target Retirement Income Inv
 1VTTVX Vanguard Target Retirement 2025 Inv
 1VTTHX Vanguard Target Retirement 2035 Inv
 1VTIVX Vanguard Target Retirement 2045 Inv
 1VFFVX Vanguard Target Retirement 2055 Inv
 1CSZIX Cohen & Steers Real Estate Securities Z
 1VSMAX Vanguard Small Cap Index Adm
 1MEFZX MassMutual Mid Cap Growth I
 1VEVRX Victory Sycamore Established Value R6
 1PFGKX Pioneer Fundamental Growth K
 1RLBGX American Funds American Balanced R6
 1KGPf Key Guaranteed Portfolio Fund

1VTWNX Vanguard Target Retirement 2020 Inv
 1VTHRX Vanguard Target Retirement 2030 Inv
 1VFORX Vanguard Target Retirement 2040 Inv
 1VFIFX Vanguard Target Retirement 2050 Inv
 1PIUIX Federated Hermes International Equity IS
 1TQAIX T. Rowe Price QM US Small-Cap Gr Eq I
 1VSIAX Vanguard Small Cap Value Index Admiral
 1VIMAX Vanguard Mid Cap Index Fund - Admiral
 1DDVIX Delaware Value Inst
 1VLCAX Vanguard Large Cap Index Adm
 1PBFKX Pioneer Bond K

COST OF ASSETS: The original cost of the assets in each investment option as of the last day of the plan year

CURRENT VALUE: The value of all assets in each investment option as of the last day of the plan year