

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>ADAMS THERMAL SYSTEMS RETIREMENT SAVINGS PLAN</u>
1b	Three-digit plan number (PN) ▶ <u>001</u>
1c	Effective date of plan <u>01/01/2004</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>ADAMS THERMAL SYSTEMS INC.</u> <u>47920 W. 5TH STREET</u> <u>CANTON, SD 57013</u>
2b	Employer Identification Number (EIN) <u>20-0386781</u>
2c	Plan Sponsor's telephone number <u>605-764-1260</u>
2d	Business code (see instructions) <u>333410</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.	10/18/2022	STEVE HEISINGER
	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	278
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)	204
a(2) Total number of active participants at the end of the plan year		6a(2)	195
b Retired or separated participants receiving benefits.....		6b	1
c Other retired or separated participants entitled to future benefits		6c	65
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	261
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	0
f Total. Add lines 6d and 6e		6f	261
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	232
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	4
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: 2J 2F 2G 2K 3D 2S 2T 2E			
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 ADAMS THERMAL SYSTEMS RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 ADAMS THERMAL SYSTEMS INC.	D Employer Identification Number (EIN) 20-0386781

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
MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
04-1590850	65935	MR 62331	0	01/01/2021	03/07/2021

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
0	0

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	

(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	

(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	0
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 ▶

b	Balance at the end of the previous year	7b	2887163
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c	Additions: (1) Contributions deposited during the year	7c(1)	0	
	(2) Dividends and credits.....	7c(2)	0	
	(3) Interest credited during the year.....	7c(3)	0	
	(4) Transferred from separate account.....	7c(4)		
	(5) Other (specify below)	7c(5)		

(6) Total additions	7c(6)	0
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d	Total of balance and additions (add lines 7b and 7c(6))	7d	2887163
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e	Deductions:			
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)		
	(2) Administration charge made by carrier.....	7e(2)		
	(3) Transferred to separate account.....	7e(3)		
	(4) Other (specify below)	7e(4)		2887163

(5) Total deductions	7e(5)	2887163
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f	Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	0
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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)	0
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 ADAMS THERMAL SYSTEMS RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 ADAMS THERMAL SYSTEMS INC.	D Employer Identification Number (EIN) 20-0386781	

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
FIDELITY INVESTMENTS INSTITUTIONAL
04-2647786

(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)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(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?
60 64 65	RECORDKEEPER	19688	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

VISIONPOINT ADVISORY GROUP

46-3329350

(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	ADVISOR	19564	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

EIDE BAILLY

45-0250958

(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?
10	ACCOUNTANT/AUDITOR	10555	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
BLKRK EQUITY DIV I - BNY MELLON IN 22-3703799	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
VICTORY S ESTB VAL I - FIS INVESTO FAITH INVESTOR SERVICES, LLC 14785 PRESTON ROAD, SUITE 1000 DALLAS, TX 75254	0.10%	
(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

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:

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

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>ADAMS THERMAL SYSTEMS RETIREMENT SAVINGS 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>ADAMS THERMAL SYSTEMS INC.</u>	D Employer Identification Number (EIN) <u>20-0386781</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	Total noninterest-bearing cash.....	1a	0	0
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	10204	0
	(2) Participant contributions.....	1b(2)	20855	0
	(3) Other	1b(3)	0	0
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	122
	(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)	0	0
	(9) Value of interest in common/collective trusts.....	1c(9)	0	2922764
	(10) Value of interest in pooled separate accounts	1c(10)	0	0
	(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)	11761371	12530712
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	2887162	0
	(15) Other.....	1c(15)	0	0

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(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	14679592	15453598

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
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	14679592	15453598
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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)	290392	
(B) Participants	2a(1)(B)	616421	
(C) Others (including rollovers).....	2a(1)(C)	150000	
(2) Noncash contributions.....	2a(2)	0	1056813
(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)	0	
(F) Other	2b(1)(F)	163958	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		163958
(2) Dividends: (A) Preferred stock.....	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	627674	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		627674
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	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)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		25234
(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)		1286355
c Other income.....	2c		-838
d Total income. Add all income amounts in column (b) and enter total.....	2d		3159196
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	2301950	
(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)		2301950
f Corrective distributions (see instructions).....	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		0
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees.....	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	0	
(3) Investment advisory and management fees.....	2i(3)	0	
(4) Other.....	2i(4)	83240	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		83240
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		2385190
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		774006
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan.....	2l(2)		0

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: EIDE BAILLY

(2) EIN: 45-0250958

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

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

Part IV Compliance Questions

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

During the plan year:

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

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		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.	X		
4n	X		

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 ADAMS THERMAL SYSTEMS RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 ADAMS THERMAL SYSTEMS INC.	D Employer Identification Number (EIN) 20-0386781

Part I	Distributions
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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
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): 04-6568107 04-1590850	
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
--	--

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 _____

REPORT DATE

To the Plan Administrator and Retirement Committee
Adams Thermal Systems Retirement Savings Plan
Canton, South Dakota

Except as discussed in the following paragraph, in planning and performing our audit of the financial statements of Adams Thermal Systems Retirement Savings Plan as of and for the year ended December 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered Adams Thermal Systems Retirement Savings Plan's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the plan's internal control. Accordingly, we do not express an opinion on the effectiveness of Adams Thermal Systems Retirement Savings Plan's internal control.

Management has determined it is permissible in the circumstances and has elected to have the audit of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Therefore, as permitted by ERISA Section 103(a)(3)(C), the audit need not extend to any statements of information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

We are required to consider relevant plan provisions that affect the risk of material misstatement at the relevant assertion level when designing and performing audit procedures. When audit work performed results in the identification of items that are not in accordance with specified criteria, such as plan provisions as set forth in the plan instrument, we are required to evaluate whether the matter is a reportable finding. Reportable findings are matters that are one or more of the following:

- a. An identified instance of noncompliance or suspected noncompliance with laws or regulations.
- b. A finding arising from the audit that is, in the auditor's professional judgment, significant and relevant to those charged with governance regarding their responsibility to oversee the financial reporting process.

c. An indication of deficiencies in internal control identified during the audit that have not been communicated to management by other parties and that, in the auditor's professional judgment, are of sufficient importance to merit management's attention.

A reportable finding may be a material weakness, a significant deficiency, or a control deficiency defined as follows:

A *material weakness* is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the plan's financial statements will not be prevented or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible*. The chance of the future event or events occurring is more than remote but less than likely.
- *Probable*. The future event or events are likely to occur.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A *control deficiency* is a deficiency, or combination of deficiencies, in internal control that does not rise to the level of a material weakness or significant deficiency but is of sufficient importance to merit management's attention.

We consider the following reportable findings in the plan's internal control to be material weaknesses:

Internal Control over the Preparation of Financial Statements

The Plan does not have an internal control system designed to provide for the preparation of the financial statements and related financial statement disclosures being audited. As auditors, we were requested to draft the financial statements and accompanying notes to the financial statements. Although this circumstance is not unusual for a Plan of your size, the preparation of financial statements as a part of the audit engagement may result in financial statements and related information included in financial statements disclosures not being available for management purposes as timely as it would be if prepared by Plan personnel. It is the responsibility of management and those charged with governance to determine whether to accept the risk associated with this condition because of cost or other considerations.

Segregation of Duties

The limited number of employees at the Company during the Plan year prevented a proper segregation of accounting functions necessary to ensure effective internal control. This is not unusual for an Company of your size; however, the lack of segregation of duties increases the risk of fraud related to misappropriation of assets, financial statement misstatement, or both. Accordingly, an effective system of internal control will be designed such that functions are performed by different employees, so that no one individual handles a transaction from its inception to its completion. It is the responsibility of management and those charged with governance to make the decision to accept the degree of risk associated with this condition because of cost or other considerations. The following was noted during fieldwork as an opportunity for strengthening internal controls:

- One employee receives the participant deferral change notices from Fidelity and updates the payroll system for these deferral changes. The changes made within payroll are not subsequently reviewed to ensure it was correctly entered. We recommend a change report be run for each payroll to review changes made each payroll compared to underlying documentation (deferral percentages, wage rates, demographic data, etc.) by someone outside of the payroll function.

Our consideration of internal control was for the limited purpose described in the preceding paragraphs and was not designed to identify all deficiencies in internal control that might be considered reportable findings, including material weaknesses, significant deficiencies, or control deficiencies, and, therefore, reportable findings in these categories may exist that were not identified.

This communication is intended solely for the information and use of management, the Plan Administrator, others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sioux Falls, South Dakota

DRAFT



Combined Financial Statements
December 31, 2021 and 2020
Adams Companies

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Independent Auditor's Report

The Stockholder and Board of Directors
Adams Companies
Canton, South Dakota

Report on the Combined Financial Statements

Opinion

We have audited the accompanying combined financial statements of Adams Companies (the Company), which comprise of the combined balance sheets as of December 31, 2021 and 2020, and the related combined statements of operations, stockholder's equity, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Adams Companies as of December 31, 2021 and 2020, 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 Combined Financial Statements section of our report. We are required to be independent of Adams Companies 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 Combined Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined 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 combined 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 combined 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 Adams Companies' 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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Adams Companies' 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.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Sioux Falls, South Dakota
April 29, 2022

Adams Companies
Combined Balance Sheets
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Cash	\$ 191,770	\$ 271,653
Accounts receivable, net of allowance for doubtful accounts of \$269,777 in 2021 and \$352,046 in 2020	8,042,886	5,573,449
Other receivable	2,610,209	-
Inventories	23,319,814	13,356,987
Prepaid assets	<u>965,653</u>	<u>1,029,899</u>
Total current assets	<u>35,130,332</u>	<u>20,231,988</u>
Property and Equipment		
Land	1,044,453	1,044,453
Buildings	12,749,729	12,395,895
Plant equipment	44,241,019	43,710,096
Office equipment	4,930,581	4,245,729
Vehicles	328,595	273,155
Construction in process	<u>1,057,741</u>	<u>780,246</u>
	<u>64,352,118</u>	<u>62,449,574</u>
Less accumulated depreciation	<u>(48,094,764)</u>	<u>(46,356,744)</u>
Total property and equipment (Variable Interest Entities Restricted - 2021: \$10,026,676; 2020: \$9,651,342)	<u>16,257,354</u>	<u>16,092,830</u>
	<u><u>\$ 51,387,686</u></u>	<u><u>\$ 36,324,818</u></u>

Adams Companies
Combined Balance Sheets
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Liabilities and Stockholder's Equity		
Current Liabilities		
Checks issued in excess of cash balance	\$ 234,599	\$ -
Accounts payable	9,496,868	5,163,536
Accrued expenses		
Warranty	272,261	262,555
Compensation and employee benefits	581,776	621,798
Other accrued expenses	345,343	194,178
Current maturities of long-term debt	<u>1,213,821</u>	<u>3,448,840</u>
Total current liabilities	12,144,668	9,690,907
Non-current Liabilities		
Line of credit	13,384,872	7,465,783
Long-term debt, less current maturities	<u>13,543,272</u>	<u>10,752,745</u>
Total liabilities	<u>39,072,812</u>	<u>27,909,435</u>
Stockholder's Equity		
Common stock, par value \$1 per share		
Authorized, 510,000 shares		
Issued and outstanding, 200,000 shares	200,000	200,000
Additional paid-in capital	25,100	25,100
Retained earnings	10,260,656	7,538,591
Partnership equity	<u>916,646</u>	<u>864,625</u>
Stockholder's equity attributable to Adams Thermal Systems, Inc.	11,402,402	8,628,316
Noncontrolling interest	<u>912,472</u>	<u>(212,933)</u>
Total stockholder's equity	<u>12,314,874</u>	<u>8,415,383</u>
	<u>\$ 51,387,686</u>	<u>\$ 36,324,818</u>

Adams Companies
Combined Statements of Operations
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Sales	\$ 56,027,690	\$ 38,086,614
Cost of Sales	<u>49,454,783</u>	<u>33,850,364</u>
Gross Profit	<u>6,572,907</u>	<u>4,236,250</u>
Operating Expenses		
Selling, general and administrative	<u>5,837,656</u>	<u>5,011,918</u>
Income (Loss) from Operations	<u>735,251</u>	<u>(775,668)</u>
Other Income (Expense)		
Rental income	147,900	136,200
Interest income	234	2,020
Interest expense	(1,159,601)	(1,078,753)
Paycheck Protection Program	2,000,000	2,826,575
Other income (expense), net	<u>2,290,707</u>	<u>(78,882)</u>
Total other income (expense)	<u>3,279,240</u>	<u>1,807,160</u>
Combined Net Income	4,014,491	1,031,492
Net (Income) Loss Attributed to Noncontrolling Interest	<u>(1,165,405)</u>	<u>226,858</u>
Net Income Less Noncontrolling Interest	<u><u>\$ 2,849,086</u></u>	<u><u>\$ 1,258,350</u></u>

Adams Companies
Combined Statements of Stockholder's Equity
Years Ended December 31, 2021 and 2020

	Common Stock	Additional Paid-in Capital	Retained Earnings	Partnership Equity	Noncontrolling Interest	Total
Balance, December 31, 2019	\$ 200,000	\$ 25,100	\$ 6,520,120	\$ 954,746	\$ 843,092	\$ 8,543,058
Net income for the year ended December 31, 2020	-	-	1,168,471	89,879	(226,858)	1,031,492
Dividends paid	-	-	(150,000)	(180,000)	(829,167)	(1,159,167)
Balance, December 31, 2020	200,000	25,100	7,538,591	864,625	(212,933)	8,415,383
Net income for the year ended December 31, 2021	-	-	2,722,065	127,021	1,165,405	4,014,491
Dividends paid	-	-	-	(75,000)	(40,000)	(115,000)
Balance, December 31, 2021	<u>\$ 200,000</u>	<u>\$ 25,100</u>	<u>\$ 10,260,656</u>	<u>\$ 916,646</u>	<u>\$ 912,472</u>	<u>\$ 12,314,874</u>

Adams Companies
Combined Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
Operating Activities		
Net income	\$ 2,849,086	\$ 1,258,350
Charges and credits to net income not affecting cash		
Depreciation and amortization	1,528,733	1,975,203
Non-controlling interest in earnings (losses)	1,165,405	(226,858)
Changes in assets and liabilities		
Accounts receivable	(2,469,437)	1,414,282
Other receivables	(2,610,209)	-
Inventories	(9,962,827)	354,653
Prepaid assets	64,246	(517,157)
Accounts payable	4,333,332	618,417
Accrued expenses	120,849	(679,851)
Net Cash (Used for) Provided by Operating Activities	<u>(4,980,822)</u>	<u>4,197,039</u>
Investing Activities		
Purchases of property and equipment	<u>(1,693,257)</u>	<u>(787,190)</u>
Net Cash Used for Investing Activities	<u>(1,693,257)</u>	<u>(787,190)</u>
Financing Activities		
Net proceeds (payments) on line of credit	5,919,089	(1,046,896)
Checks issued in excess of bank balance	234,599	(596,271)
Proceeds from long-term debt	1,745,791	1,000,000
Principal payments on long-term debt	(1,190,283)	(1,805,944)
Dividends paid	<u>(115,000)</u>	<u>(1,159,167)</u>
Net Cash Provided by (Used for) Financing Activities	<u>6,594,196</u>	<u>(3,608,278)</u>
Net Change in Cash	(79,883)	(198,429)
Cash at Beginning of Year	<u>271,653</u>	<u>470,082</u>
Cash at End of Year	<u>\$ 191,770</u>	<u>\$ 271,653</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year interest	\$ 1,159,601	\$ 1,078,753

Note 1 - Principal Activity and Significant Accounting Policies

Basis for Combination

The combined financial statements represent the combined balance sheets, statements of operations, stockholder's equity and cash flows of Adams Thermal Systems, Inc. and its wholly-owned subsidiaries (Adams Thermal Systems Europe, Adams Thermal Systems China, and Adams Thermal Systems Asia Holding Limited), Adams Holdings, LLC, Adams Holdings Iowa, LLC, Adams Fabrication and Sourcing, Inc., American Cooling Solutions, Inc., and Adams Leasing Inc. (collectively, the Company). All significant intercompany transactions have been eliminated in the combination process.

Principal Business Activity

The primary activity of Adams Thermal Systems, Inc. and American Cooling Solutions, Inc. is the designing, engineering and manufacturing of engine cooling systems for on-highway and off-highway vehicle applications. The primary activity of Adams Fabrication and Sourcing, Inc. is the custom manufacturing and fabrication, and combined strategic sourcing and cooperative purchasing of goods for local businesses. The primary activity of Adams Thermal Systems Europe, Adams Thermal Systems China, Adams Thermal Systems Asia Holding Limited, and Adams Leasing, Inc. is to serve as a holding companies for land and commercial property. The operations are based in Canton, South Dakota.

Variable Interest Entities

A variable interest entity (VIE) is an entity that either (1) has insufficient equity to permit the entity to finance its activities without additional subordinated financial support or (2) has equity investors who lack the characteristics of a controlling financial interest. A VIE is consolidated by its primary beneficiary. The primary beneficiary has both the power to direct the activities that most significantly impact the entity's economic performance and the obligation to absorb losses or the right to receive benefits from the entity that could potentially be significant to the VIE.

If the Company determines that it has operating power and the obligation to absorb losses or receive benefits, the Company consolidates the VIE as the primary beneficiary, and if not, does not consolidate. The Company's environment constitutes power that is most significant to the entity when it has unconstrained decision-making ability over key operational functions within the entity.

Assets recognized as a result of consolidating VIEs do not necessarily represent additional assets that could be used to satisfy claims against the Company's general assets. Conversely, liabilities recognized as a result of consolidating this VIE do not necessarily represent additional claims on the Company's general assets; rather, they represent claims against the specific assets of the combined VIE.

The Company is the primary beneficiary of variable interest entities, Adams Holdings, LLC and Adams Fabrication and Sourcing, Inc. Accordingly, the assets and liabilities of Adams Holdings, LLC and Adams Fabrication and Sourcing, Inc. are included in the accompanying combined balance sheet. Adams Holdings, LLC leases a facility to the Company. The Company guarantees certain debt of Adams Holdings, LLC. Adams Fabrication and Sourcing, Inc. has approximately \$200,000 in amounts due to Adams Thermal Systems, Inc. as of December 31, 2021.

The Company reports Adams Holdings, LLC and Adams Fabrication and Sourcing, Inc.'s portion of combined net income and stockholder's equity as a noncontrolling interest in the combined financial statements. See summary information regarding Adams Holdings, LLC and Adams Fabrication and Sourcing, Inc. in Note 10.

Cash and Cash Equivalents

For purposes of the reporting of cash flows, the Company considers all highly liquid debt securities purchased with an original maturity of three months or less to be cash equivalents. The Company maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. The Company has not experienced losses in such accounts.

Receivables and Credit Policies

Accounts receivable are un-collateralized customer obligations due under normal trade terms typically requiring payment within 30 days from the invoice date. Some larger customers receive special terms in which payment is due up to a maximum of approximately 90 days from the invoice date. Accounts receivable are stated at the amount billed to the customer. Customer account balances beyond the stated collection terms are considered delinquent. Generally, no interest is charged on outstanding receivables. Payments of accounts receivable are allocated to the specific customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management reviews all accounts receivable balances beyond the stated collection terms and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected.

Inventories

The Company measures inventory at the lower of cost, first-in, first-out method, or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation.

Provision for potentially obsolete or excess inventory is made based on management's analysis of inventory levels and future sales forecasts.

Property and Equipment

Property and equipment is stated at cost. Depreciation is provided using the straight-line method, based on useful lives of the assets which range from three to forty years.

The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment, there was no impairment at December 31, 2021 and 2020.

Income Taxes

The stockholder of Adams Thermal Systems, Inc., American Cooling Solutions, Inc., Adams Fabrication and Sourcing, Inc. and Adams Leasing, Inc. has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. No provision for federal income taxes has been recorded in these combined financial statements because the stockholder is personally liable for such taxes on his individual income tax return. Adams Holdings, LLC and Adams Holdings Iowa, LLC have elected to be treated as partnerships for income tax purposes. Accordingly, no provision for income taxes is reflected in the accompanying combined financial statements. Instead, the members are liable for their proportionate share of the partnerships' taxable income. The Company does not file a combined tax return.

The Company evaluates its income tax positions on an annual basis. Management has determined that there are no uncertain tax positions requiring disclosure at December 31, 2021. The Company's policy is to recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in income tax expense. During the years ended December 31, 2021 and 2020, the Company did not recognize any expense for interest and penalties on uncertain tax positions.

Revenue Recognition

The Company accounts for customer revenues under Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*.

The Company's performance obligation for sales is satisfied as the product is shipped to customers; therefore, revenue is recognized at a point in time. The Company bills customers once product is shipped and recognizes revenue at that time, when the risk of ownership and title passes to the buyer. There are no unbilled or deferred revenues as billing takes place immediately after shipment. The beginning and ending balances for accounts receivable were as follows for the years ended December 31, 2021 and 2020.

	December 31, 2021	December 31, 2020	January 1, 2020
Trade accounts receivable	\$ 7,767,687	\$ 5,890,471	\$ 7,049,199

Forgivable loans - Paycheck Protection Program (“PPP”)

The Company was granted \$2,826,575 and \$2,000,000 in loans under the PPP administered by a Small Business Administration (SBA) approved partner. The loans are uncollateralized and is fully guaranteed by the Federal government. The Company initially recorded the loan as a refundable advance and subsequently recognized other income in accordance with guidance for conditional contributions by applying ASC 958-605, *Not-for-Profit – Revenue Recognition*, that is, once the conditions were met by incurring qualified expenses and maintaining employee headcounts. The Company recognized \$2,826,575 of loan forgiveness income for the year ended December 31, 2020. The Company recognized \$2,000,000 of loan forgiveness income for the year ended December 31, 2021. Both loans were forgiven by the SBA in 2021. Loans issued under the PPP were subject to good-faith certifications of the necessity of the loan request. Borrowers with loans issued under the program in excess of \$2 million are subject to review by the SBA for compliance with the program requirements. If the SBA determines that a borrower lacked an adequate basis for the loan or did not meet the program requirements, the loan will not be eligible for loan forgiveness and the SBA will seek repayment of the outstanding PPP loan balance. As such, the potential exists that the Company may be deemed ineligible for loan forgiveness and would be required to repay the loan.

Employee Retention Credit

The Consolidated Appropriations Act of 2021 and the American Rescue Plan Act of 2021 expanded extended the employee retention credit through September 30, 2021, and increased the credit to 70% of qualified wages, capped at \$7,000 per quarter. As a result of the changes to the credit, the maximum credit per employee increased from \$10,000 in 2020 to \$21,000 in 2021. During the year ended December 31, 2021, the Company recorded a \$2,487,774 benefit related to the credit which is presented in the statement of operations as other income and included in the balances sheet as other receivables.

The Company has elected to account for the credits by applying FASB ASC 958-605, Not-for-Profit Entities: Revenue Recognition. Under this method, the Company records contribution revenue when the contribution is deemed to be unconditional, that is when there is no longer a measurable performance or other barrier and a right of return or release from obligation to pay the contribution. Management has determined that the contribution is unconditional.

The Entity’s credit filings remain open for potential examination by the Internal Revenue Service through the statute of limitations, which has varying expiration dates extending through 2027. Any disallowed claims resulting from such examinations could be subject to repayment to the federal government.

Presentation of Taxes

States and cities within the geographic areas in which the Company does business impose a sales tax on certain sales to non-exempt customers. The Company collects that sales tax from customers and remits the entire amount to the various states and cities. The Company’s accounting policy is to exclude the tax collected and remitted to the states and cities from sales and cost of sales.

Freight

The Company presents all amounts billed to the customer for freight as a component of sales. Costs incurred for freight are reported as a component of cost of sales.

Research and Development

Research and development costs are charged to operations when incurred and are included in selling, general, and administrative expense. Total research and development costs of \$1,254,575 and \$694,777 were charged to operations in the years ended December 31, 2021 and 2020, respectively.

Advertising Costs

Advertising costs are expensed as incurred.

Estimates

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Company has evaluated events through April 29, 2022, the date which the combined financial statements were available to be issued.

Note 2 - Inventories

Inventories consist of the following:

	2021	2020
Raw materials and purchased parts	\$ 15,008,814	\$ 8,009,982
Work in progress	3,862,751	2,207,546
Finished goods	4,629,633	3,320,843
Reserve for obsolete inventory	(181,384)	(181,384)
	<u>\$ 23,319,814</u>	<u>\$ 13,356,987</u>

Note 3 - Line of Credit

The Company has a revolving line of credit agreement with a bank through January 17, 2024. Interest on advances is payable monthly at the Daily Three Month LIBOR plus 2.00% (2.05% at December 31, 2021). The available amount under the line of credit is the lesser of \$15,000,000 or the Borrowing Base under the agreement. The amount available under the agreement was approximately \$569,000 as of December 31, 2021. The Company had \$13,384,872 and \$7,465,783 outstanding on the line of credit as of December 31, 2021 and 2020, respectively. The line of credit is secured by accounts receivable and inventory of the Company. The Company also has a \$535,000 and \$510,000 letter of credit outstanding as of December 31, 2021 and 2020, and bearing interest at a rate of 1.50%, respectively.

Note 4 - Long-Term Debt

The Company is required by its lenders to maintain a certain debt service coverage ratio along with other covenants.

	2021	2020
Term note payable to bank due in 60 monthly installments of \$85,649 including interest at 3 Months Daily Libor plus 2.25% (2.30% at December 31, 2021) with maturity extended to March 2026. Secured by substantially all business assets and guaranteed by stockholder.	\$ 3,400,000	\$ 2,997,701
Term note payable to bank due in 60 monthly installments of \$13,404 including interest at 3 Months Daily Libor plus 2.25% (2.30% at December 31, 2021) with maturity in December 2026. Secured by the equipment.	545,791	-
Term note payable to bank due in 60 initial monthly installments of \$67,900, including fixed interest at a rate of 4.25%, followed by 60 monthly installments of \$68,778, including interest at Monthly Average Yield on 5-year Constant Maturity of U.S. Treasury Securities plus 3.25%, final payment due September 2025, secured by substantially all assets and guaranteed by the stockholder.	3,362,343	3,707,231
Note payable to GMAC due in monthly installments of \$1,080 through November 2023, interest at 6.29%, secured by vehicle.	23,959	34,395
10.00% unsecured notes payable to stockholder due in monthly monthly installments maturing December 2022 through May 2023 including interest, subordinated to and subject to payment restrictions by the Company's lenders.	2,100,000	2,100,000
10.00% unsecured notes payable to stockholder due in monthly monthly installments through December 2027, including interest, subordinated and subject to payment restrictions to the Company's lenders.	5,325,000	4,125,000
Term note payable to bank, paid in full in 2021.	-	1,237,258
	14,757,093	14,201,585
Less current maturities	(1,213,821)	(3,448,840)
	<u>\$ 13,543,272</u>	<u>\$ 10,752,745</u>

Aggregate long-term debt maturities are as follows:

<u>Years Ending December 31,</u>	
2022	\$ 1,213,821
2023	1,251,385
2024	1,273,176
2025	3,291,624
2026	302,087
Thereafter	<u>7,425,000</u>
	<u>\$ 14,757,093</u>

Note 5 - Employee Benefit Plan

The Company has a qualified profit sharing plan (401k) which covers all employees who meet certain eligibility requirements. Employees are permitted to make voluntary contributions up to the IRS contribution limits. The Company's matching contribution to the plan is 100% of the first 1% and 50% of next 5% of employee's deferral. The Company's matching contribution expense was \$289,534 and \$347,902 for the years ended December 31, 2021 and 2020, respectively.

Note 6 - Major Customers

The Company derived ten percent or more of its revenue from the following major customers:

	<u>2021</u>		<u>2020</u>	
	<u>Revenue</u>	<u>Accounts Receivable</u>	<u>Revenue</u>	<u>Accounts Receivable</u>
Customer A	\$ 11,793,546	\$ 530,403	\$ 7,899,369	\$ 511,764
Customer B	5,486,623	1,376,433	2,178,003	1,176,390
Customer C	4,903,704	549,686	4,669,751	821,936

Note 7 - Warranty

All products sold by the Company carry a standard one-year warranty with negotiated exceptions. Accrued warranty costs are estimates made by management based on historical warranty expenses in relation to the past year's sales. Warranty activity during the years ending December 31, 2021 and 2020, respectively, is summarized as follows:

	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 262,555	\$ 250,807
Change in accrual	440,600	460,203
Payments	<u>(430,894)</u>	<u>(448,455)</u>
Ending balance	<u>\$ 272,261</u>	<u>\$ 262,555</u>

Note 8 - Health Reimbursement Arrangement Plan (HRA)

On January 1, 2013 the Company established an HRA for the benefit of the employees. Reimbursements under the plan are paid for by the Company's contributions. Participants do not contribute to the plan. Participants submit claims for reimbursement of qualifying medical expenses. The claims are subject to annual limits. The unused balance in a participant's account remaining at the end of the plan year, not to exceed \$2,500 as elected by the Company, may be carried over to the following plan year. Participants forfeit the balance in their HRA account upon termination from the Company. The Company's obligation for unused participant balances as of December 31, 2021 and 2020 was approximately \$109,000 and \$113,000, respectively, and is recorded as a liability in the Company's combined balance sheet. The Company has not funded any of plan obligations as of December 31, 2021 and 2020.

Note 9 - Related Party Transactions

As discussed in Note 4, the Company has subordinated notes payable to the stockholder. Interest expenses incurred and paid, related to these notes, was approximately \$672,500 and \$522,500 for the years ended December 31, 2021 and 2020, respectively.

Note 10 - Variable Interest Entities

A summary of information regarding Adams Holdings, LLC at December 31, 2021 and 2020, is as follows:

Adams Holdings, LLC

	2021	2020
Assets		
Cash	\$ 52,473	\$ 72,464
Accounts receivable	153,706	-
Prepaid assets	21,049	22,975
Property and equipment	8,845,102	8,531,182
Total assets	<u>\$ 9,072,330</u>	<u>\$ 8,626,621</u>
Liabilities		
Accounts payable	\$ -	\$ 14,481
Accrued expenses	11,379	140,085
Long-term debt	4,362,343	4,707,231
Total liabilities	<u>\$ 4,373,722</u>	<u>\$ 4,861,797</u>

The financial performance of Adams Holdings, LLC reported in the combined statement of operations for the years ended December 31, 2021 and 2020, includes rental income of \$1,544,468 and \$1,544,469, respectively, operating expenses of \$353,691 and \$299,723, respectively, and interest expense of \$216,992 and \$241,307, respectively.

Adams Fabrication and Sourcing, Inc.

A summary of information regarding Adams Fabrication and Sourcing, Inc. at December 31, 2021 and 2020, is as follows:

	<u>2021</u>	<u>2020</u>
Assets		
Cash	\$ 37,638	\$ 24,078
Accounts receivable	1,552,970	602,904
Inventories	-	-
Property and equipment	<u>315,628</u>	<u>438,795</u>
Total assets	<u><u>\$ 1,906,236</u></u>	<u><u>\$ 1,065,777</u></u>
Liabilities		
Accounts payable	\$ 1,367,372	\$ 1,918,534
Accrued expenses	-	-
Long-term debt	<u>4,325,000</u>	<u>3,125,000</u>
Total liabilities	<u><u>\$ 5,692,372</u></u>	<u><u>\$ 5,043,534</u></u>

The financial performance of Adams Fabrication and Sourcing, Inc. reported in the combined statement of operations for the years ended December 31, 2021 and 2020, includes sales of \$9,131,749 and \$5,855,503, respectively, cost of sales of \$7,705,836 and \$5,739,859, respectively, and operating expenses of \$881,236 and \$1,345,660, respectively.



Supplementary Information
December 31, 2021
Adams Companies



Independent Auditor's Report on Supplementary Information

The Stockholder and Board of Directors
Adams Companies
Canton, South Dakota

We have audited the combined financial statements of Adams Companies as of and for the year ended December 31, 2021, and our report thereon dated April 29, 2022, which expressed an unmodified opinion on those combined financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The supplemental schedules on pages 19 through 21 are presented for the purpose of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Sioux Falls, South Dakota
April 29, 2022

Adams Companies
Combining Balance Sheet
December 31, 2021

	Adams Thermal Systems, Inc.	Adams Holdings, LLC	Adams Holdings Iowa, LLC	Adams Thermal Systems Europe GmbH	Adams Thermal Systems China	Adams Thermal Systems Asia Holdings	Adams Fabrication and Sourcing, Inc.	Eliminations	Combined
Current Assets									
Cash	\$ 38,527	\$ 52,473	\$ 4,000	\$ 4,000	\$ 53,463	\$ 1,669	\$ 37,638	\$ -	\$ 191,770
Accounts receivable, net	7,967,986	153,706	60,000	-	374,221	-	1,552,970	(2,065,997)	8,042,886
Other receivables	2,610,209	-	-	-	-	-	-	-	2,610,209
Inventories	23,319,814	-	-	-	-	-	-	-	23,319,814
Prepaid assets	827,917	21,049	-	655	18,486	97,546	-	-	965,653
Total current assets	34,764,453	227,228	64,000	4,655	446,170	99,215	1,590,608	(2,065,997)	35,130,332
Property and Equipment									
Land	-	1,044,453	-	-	-	-	-	-	1,044,453
Buildings	-	11,435,949	1,313,780	-	-	-	-	-	12,749,729
Plant equipment	43,715,759	-	-	-	-	-	525,260	-	44,241,019
Office equipment	4,355,614	540,147	-	-	-	-	34,820	-	4,930,581
Vehicles	233,412	33,100	-	-	62,083	-	-	-	328,595
Construction in process	1,057,741	-	-	-	-	-	-	-	1,057,741
	49,362,526	13,053,649	1,313,780	-	62,083	-	560,080	-	64,352,118
Less accumulated depreciation	(43,164,297)	(4,208,547)	(447,834)	-	(29,634)	-	(244,452)	-	(48,094,764)
Total property and equipment	6,198,229	8,845,102	865,946	-	32,449	-	315,628	-	16,257,354
	<u>\$ 40,962,682</u>	<u>\$ 9,072,330</u>	<u>\$ 929,946</u>	<u>\$ 4,655</u>	<u>\$ 478,619</u>	<u>\$ 99,215</u>	<u>\$ 1,906,236</u>	<u>\$ (2,065,997)</u>	<u>\$ 51,387,686</u>

Adams Companies
Combining Balance Sheet
December 31, 2021

	Adams Thermal Systems, Inc.	Adams Holdings, LLC	Adams Holdings Iowa, LLC	Adams Thermal Systems Europe GmbH	Adams Thermal Systems China	Adams Thermal Systems Asia Holdings	Adams Fabrication and Sourcing, Inc.	Eliminations	Combined
Liabilities and Stockholder's Equity									
Current Liabilities									
Checks issued in excess of cash balance	\$ 234,599	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 234,599
Accounts payable	9,440,804	-	-	-	306,524	-	1,367,372	(1,617,832)	9,496,868
Accrued expenses									
Warranty	272,261	-	-	-	-	-	-	-	272,261
Compensation and employee benefits	581,776	-	-	-	-	-	-	-	581,776
Other accrued expenses	244,698	11,379	13,300	3,936	85,985	200,303	-	(214,258)	345,343
Current maturities of long-term debt	890,323	323,498	-	-	-	-	-	-	1,213,821
Total current liabilities	11,664,461	334,877	13,300	3,936	392,509	200,303	1,367,372	(1,832,090)	12,144,668
Non-Current Liabilities									
Line of credit	13,384,872	-	-	-	-	-	-	-	13,384,872
Long-term debt, less current maturities	5,179,427	4,038,845	-	-	-	-	4,325,000	-	13,543,272
Total liabilities	30,228,760	4,373,722	13,300	3,936	392,509	200,303	5,692,372	(1,832,090)	39,072,812
Stockholder's Equity									
Common stock	200,000	-	-	-	-	-	-	-	200,000
Additional paid-in capital	1,500	-	-	37,600	160,305	59,602	-	(233,907)	25,100
Retained earnings (deficit)	10,532,422	-	-	(36,881)	(74,195)	(160,690)	-	-	10,260,656
Partnership equity	-	-	916,646	-	-	-	-	-	916,646
Stockholder's Equity Attributable									
To Adams Thermal Systems, Inc.	10,733,922	-	916,646	719	86,110	(101,088)	-	(233,907)	11,402,402
Noncontrolling interest	-	4,698,608	-	-	-	-	(3,786,136)	-	912,472
Total stockholder's equity	10,733,922	4,698,608	916,646	719	86,110	(101,088)	(3,786,136)	(233,907)	12,314,874
	<u>\$ 40,962,682</u>	<u>\$ 9,072,330</u>	<u>\$ 929,946</u>	<u>\$ 4,655</u>	<u>\$ 478,619</u>	<u>\$ 99,215</u>	<u>\$ 1,906,236</u>	<u>\$ (2,065,997)</u>	<u>\$ 51,387,686</u>

Adams Companies
Combining Statement of Operations
Year Ended December 31, 2021

	Adams Thermal Systems, Inc.	Adams Holdings, LLC	Adams Holdings Iowa, LLC	Adams Thermal Systems Europe GmbH	Adams Thermal Systems China	Adams Thermal Systems Asia Holdings	Adams Fabrication and Sourcing, Inc.	Eliminations	Combined
Sales	\$ 49,922,353	\$ -	\$ -	\$ -	\$ 531,384	\$ -	\$ 9,131,749	\$ (3,557,796)	\$ 56,027,690
Cost of Sales	46,314,629	-	-	-	5,197	-	7,705,836	(4,570,879)	49,454,783
Gross Profit	3,607,724	-	-	-	526,187	-	1,425,913	1,013,083	6,572,907
Operating Expenses									
Selling, general & administrative	4,548,651	353,691	20,882	-	538,817	25,763	881,236	(531,384)	5,837,656
Income (Loss) from Operations	(940,927)	(353,691)	(20,882)	-	(12,630)	(25,763)	544,677	1,544,467	735,251
Other Income (Expense)									
Rental income	-	1,544,467	147,900	-	-	-	-	(1,544,467)	147,900
Interest income	231	-	3	-	-	-	-	-	234
Interest expense	(589,553)	(216,992)	-	-	-	-	(353,056)	-	(1,159,601)
Paycheck Protection Program	2,000,000	-	-	-	-	-	-	-	2,000,000
Other income	2,291,510	-	-	-	(66)	(737)	-	-	2,290,707
Total other income (expense)	3,702,188	1,327,475	147,903	-	(66)	(737)	(353,056)	(1,544,467)	3,279,240
Combined Net Income (Loss)	2,761,261	973,784	127,021	-	(12,696)	(26,500)	191,621	-	4,014,491
Less Noncontrolling Interest	-	(973,784)	-	-	-	-	(191,621)	-	(1,165,405)
Net Income (Loss) Less Noncontrolling Interest	<u>\$ 2,761,261</u>	<u>\$ -</u>	<u>\$ 127,021</u>	<u>\$ -</u>	<u>\$ (12,696)</u>	<u>\$ (26,500)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,849,086</u>