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

2025

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2025 or fiscal plan year beginning 04/01/2025 and ending 12/31/2025

A This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) _____

B This return/report is:
- [X] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [X] 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:
- [X] 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
COMMERCIAL AVIATION SOLUTIONS 401K PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 04/01/2025

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)
ACRON AVIATION INC.

490 1ST AVENUE S. SUITE 600
ST. PETERSBURG, FL 33701

2b Employer Identification Number (EIN)
38-1865601

2c Plan Sponsor's telephone number
616-949-6600

2d Business code (see instructions)
334200

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.	10/13/2026	RUBEN YANEZ
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2026	RUBEN YANEZ
	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

3a Plan administrator's name and address [X] 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**	1013
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)**	1011
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	907
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	48
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	955
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	1
f	Total. Add lines **6d** and **6e**.	**6f**	956
g(1)	Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item)	**6g(1)**	
g(2)	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g(2)**	816
h	Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.	**6h**	64
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 Characteristic Codes in the instructions:

2E 2F 2G 2J 2K 2R 2S 2T 3D 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)		**9b** Plan benefit arrangement (check all that apply)	
(1) [X]	Insurance	**(1)** [X]	Insurance
(2) [ ]	Code section 412(e)(3) insurance contracts	**(2)** [ ]	Code section 412(e)(3) insurance contracts
(3) [X]	Trust	**(3)** [X]	Trust
(4) [ ]	General assets of the sponsor	**(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)** [X] **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
- **(4)** [ ] **DCG** (Individual Plan Information) – Number Attached 0
- **(5)** [ ] **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] **A** (Insurance Information) – Number Attached _____
- **(4)** [X] **C** (Service Provider Information)
- **(5)** [X] **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 2025 Form M-1 annual report. If the plan was not required to file the 2025 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 C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**2025** **This Form is Open to Public Inspection.**

For calendar plan year 2025 or fiscal plan year beginning 04/01/2025 and ending 12/31/2025

A Name of plan
COMMERCIAL AVIATION SOLUTIONS 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
ACRON AVIATION INC.

D Employer Identification Number (EIN)
38-1865601

Part I Service Provider Information (see instructions)

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).. . . . . [X] 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

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(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)

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(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?
13 37 50 64	CONTRACT ADMINISTRATOR	11036	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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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:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan 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

2025

This Form is Open to Public Inspection.

For calendar plan year 2025 or fiscal plan year beginning 04/01/2025 and ending 12/31/2025

A Name of plan
COMMERCIAL AVIATION SOLUTIONS 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
ACRON AVIATION INC.

D Employer Identification Number (EIN)
38-1865601

Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)

(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: INVESCO STABLE VALUE TR CLS B1

b Name of sponsor of entity listed in (a): INVESCO TRUST COMPANY

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)
84-1142974-001	C	37947

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 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 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 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)

Part II **Information on Participating Plans (to be completed by DFEs, other than DCGs)**
(Complete as many entries as needed to report all participating plans. DCGs must report each participating plan using Schedule DCG.)

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

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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

2025

This Form is Open to Public Inspection

For calendar plan year 2025 or fiscal plan year beginning 04/01/2025 and ending 12/31/2025

A Name of plan
COMMERCIAL AVIATION SOLUTIONS 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
ACRON AVIATION INC.

D Employer Identification Number (EIN)
38-1865601

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		605904
(2) Participant contributions	1b(2)		2688
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		134590
(9) Value of interest in common/collective trusts	1c(9)		37947
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		10678009
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		11045

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
1e Buildings and other property used in plan operation	1e		
1f Total assets (add all amounts in lines 1a through 1e)	1f	0	11470183
Liabilities			
1g Benefit claims payable	1g		
1h Operating payables	1h		
1i Acquisition indebtedness	1i		
1j Other liabilities	1j		
1k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
1l Net assets (subtract line 1k from line 1f)	1l	0	11470183

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)	2760501	
(B) Participants	2a(1)(B)	3556821	
(C) Others (including rollovers)	2a(1)(C)	4812740	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		11130062
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	2846	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		2846
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	203297	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		203297
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		-820
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		567338
c Other income	2c		2
d Total income. Add all **income** amounts in column (b) and enter total	2d		11902725
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	421506	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		421506
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees	2i(2)	11036	
(3) Recordkeeping fees	2i(3)		
(4) IQPA audit fees	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)		
(12) Total administrative expenses. Add lines **2i(1)** through **(11)**	2i(12)		11036
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		432542
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		11470183
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) [X] 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)** [X] 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: ERNST & YOUNG LLP **(2)** EIN: 34-6565596

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) [ ] This form is filed for a CCT, PSA, DCG 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. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

		Yes	No	Amount
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.)	**4a**	X		1912936
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?	**4e**	X		5000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	**4f**		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4g**		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4h**		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	**4i**	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)	**4j**		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	**4k**		X	
l Has the plan failed to provide any benefit when due under the plan?	**4l**		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**4m**	X		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	**4n**	X		

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? [ ] Yes [X] 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

2025

This Form is Open to Public Inspection.

For calendar plan year 2025 or fiscal plan year beginning 04/01/2025 and ending 12/31/2025

A Name of plan
COMMERCIAL AVIATION SOLUTIONS 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
ACRON AVIATION INC.

D Employer Identification Number (EIN)
38-1865601

Part I Distributions

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... 1 | 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 42-0127290

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.)

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (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) and (b):

a Enter the percentage of plan assets held as:
Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____%
High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____%

b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:
☐ 0-5 years ☐ 5-10 years ☐ 10-15 years ☐ 15 years or more

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._____

Part VII IRS Compliance Questions

21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? ☐ Yes ☒ No

21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).

☐ Design-based safe harbor method

☐ "Prior year" ADP test

☒ "Current year" ADP test

☐ N/A

22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter 06 / 30 / 2020 (MM/DD/YYYY) and the Opinion Letter serial number Q702476A .

ACRON TECHNOLOGIES, LLC

CONSOLIDATED (SUCCESSOR) AND COMBINED (PREDECESSOR) FINANCIAL STATEMENTS

AS OF JANUARY 2, 2026 (SUCCESSOR) AND JANUARY 3, 2025 (PREDECESSOR), PERIOD FROM MARCH 29, 2025 TO JANUARY 2, 2026 (SUCCESSOR), PERIOD FROM JANUARY 4, 2025 TO MARCH 28, 2025 (PREDECESSOR) AND YEAR ENDED JANUARY 3, 2025 (PREDECESSOR)

ACRON TECHNOLOGIES, LLC
CONSOLIDATED (SUCCESSOR) AND COMBINED (PREDECESSOR) FINANCIAL STATEMENTS
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Report of Independent Registered Public Accounting Firm

To the Members and the Board of Directors of Acron Technologies, LLC

Opinion on the Financial Statements

We have audited the accompanying consolidated financial statements of Acron Technologies, LLC (the Successor or the Company), which comprised the consolidated balance sheet as of January 2, 2026, the related consolidated statements of operations, comprehensive income (loss), equity and cash flows for the period from March 29, 2025 to January 2, 2026, and the combined financial statements of Acron Aviation, a carve-out business of L3Harris Technologies, Inc. (Predecessor), which comprised the combined balance sheet as of January 3, 2025, the related combined statements of operations, comprehensive income (loss), equity and cash flows for the period from January 4, 2025 to March 28, 2025 and for the year ended January 3, 2025, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at January 2, 2026, and the results of its operations and its cash flows for the period from March 29, 2025 to January 2, 2026, and the financial position of the Predecessor at January 3, 2025, and the results of its operations and its cash flows for the period from January 4, 2025 to March 28, 2025 and for the year ended January 3, 2025, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States) and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2025.

Orlando, FL

July 28, 2026

CONSOLIDATED (SUCCESSOR) AND COMBINED (PREDECESSOR) BALANCE SHEET

(In thousands)	Successor January 2, 2026	Predecessor January 3, 2025
Assets		
Current assets		
Cash and cash equivalents	$ 60,649	$ 41,755
Receivables, net	143,360	87,084
Due from related parties	—	8,591
Contract assets	36,298	37,430
Inventories, net	230,375	148,269
Other current assets	36,538	20,842
Total current assets	507,220	343,971
Non-current assets		
Property, plant and equipment, net	106,927	33,318
Right of use assets	43,837	21,233
Goodwill	509,737	377,685
Other intangible assets, net	1,055,338	741
Deferred income taxes	42	2,103
Other non-current assets	37,474	27,013
Total non-current assets	1,753,355	462,093
Total assets	$ 2,260,575	$ 806,064
Liabilities and equity		
Current liabilities		
Current portion of long-term debt	$ 9,290	$ —
Accounts payable	74,571	85,764
Due to related parties	—	1,200
Contract liabilities	49,675	46,508
Accrued expenses	90,746	34,627
Income taxes payable	2,695	28,387
Other current liabilities	7,062	25,730
Total current liabilities	234,039	222,216
Non-current liabilities		
Long-term debt, net	1,252,871	—
Long-term lease liabilities	37,924	50,567
Deferred income taxes	97,090	27,102
Other long-term liabilities	17,139	14,433
Total long-term liabilities	1,405,024	92,102
Equity		
Member’s equity	606,898	—
Retained deficit	(69,641)	—
Net owners' investment	—	1,073,986
Accumulated other comprehensive income (loss)	19,310	(582,240)
Noncontrolling interests	64,945	—
Total equity	621,512	491,746
Total liabilities and equity	$ 2,260,575	$ 806,064

See accompanying Notes to Consolidated (Successor) and Combined (Predecessor) Financial Statements.

CONSOLIDATED (SUCCESSOR) AND COMBINED (PREDECESSOR) STATEMENT OF OPERATIONS

(In thousands)	Successor Period Ended January 2, 2026	Predecessor Period Ended March 28, 2025	Predecessor Period Ended January 3, 2025
Revenue (see schedule below for related parties)			
Products	$ 316,960	$ 95,668	$ 383,243
Services	180,440	48,846	201,157
Total revenue	497,400	144,514	584,400
Cost of revenue (see schedule below for related parties)			
Products	(206,880)	(69,716)	(221,525)
Services	(88,107)	(28,289)	(127,222)
Total cost of revenue	(294,987)	(98,005)	(348,747)
Selling, general and administrative expenses	(165,087)	(32,594)	(123,603)
Research and development expenses	(6,782)	(1,355)	(5,166)
Amortization of intangible assets	(69,323)	(59)	(102)
Non-operating income	1,588	9,651	2,786
Interest (expense) income, net	(49,381)	80	(547)
Income (loss) before income taxes	(86,572)	22,232	109,021
Income tax (expense) benefit	18,040	(3,369)	(20,599)
Net income (loss)	(68,532)	18,863	88,422
Less: Net income attributable to noncontrolling interests	(1,109)	—	—
Net income (loss) attributable to Acron Technologies LLC	$ (69,641)	$ 18,863	$ 88,422

	Successor Period Ended January 2, 2026	Predecessor Period Ended March 28, 2025	Predecessor Period Ended January 3, 2025
Related Party Transactions:			
Revenue:			
Products	$ —	$ 13,664	$ 59,533
Services	—	622	2,173
Cost of revenue:			
Products	$ —	$ (8,818)	$ (31,241)
Services	—	(399)	(1,140)

See accompanying Notes to Consolidated (Successor) and Combined (Predecessor) Financial Statements.

CONSOLIDATED (SUCCESSOR) AND COMBINED (PREDECESSOR) STATEMENT OF COMPREHENSIVE INCOME (LOSS)

(In thousands)	Successor Period Ended January 2, 2026	Predecessor Period Ended March 28, 2025	Predecessor Period Ended January 3, 2025
Net income (loss)	$ (68,532)	$ 18,863	$ 88,422
Other comprehensive income (loss):			
Foreign currency translation gain (loss), net of income taxes	17,403	6,288	677
Net unrealized gains (losses) on postretirement obligations, net of income taxes	1,907	(142)	3,756
Other comprehensive income (loss) recognized during the period	19,310	6,146	4,433
Reclassification adjustments for (gain) loss included in net income	—	(6,936)	—
Other comprehensive income (loss), net of income taxes	19,310	(790)	4,433
Total comprehensive income (loss)	(49,222)	18,073	92,855
Less: Comprehensive income attributable to noncontrolling interests	(1,109)	—	—
Total comprehensive income (loss) attributable to Acron Technologies LLC	$ (50,331)	$ 18,073	$ 92,855

See accompanying Notes to Consolidated (Successor) and Combined (Predecessor) Financial Statements.

CONSOLIDATED (SUCCESSOR) AND COMBINED (PREDECESSOR) STATEMENT OF EQUITY

(In thousands)	Net Owners' Investment	Member's Equity	Retained Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Equity
Balance at December 30, 2023 - Predecessor	**$ 1,020,436**	**$ —**	**$ —**	**$ (586,673)**	**$ —**	**$ 433,763**
Net income	88,422	—	—	—	—	88,422
Other comprehensive income, net of taxes		—	—	4,433	—	4,433
Dividends paid to related parties	(45,600)	—	—	—	—	(45,600)
Net transfers from Predecessor	10,728	—	—	—	—	10,728
Balance at January 3, 2025 - Predecessor	**1,073,986**	**—**	**—**	**(582,240)**	**—**	**491,746**
Net income	18,863	—	—	—	—	18,863
Other comprehensive loss, net of taxes	—	—	—	(790)	—	(790)
Dividends paid	(8,689)	—	—	—	—	(8,689)
Net transfers from Predecessor	(32,706)	—	—	—	—	(32,706)
Dividends paid to related parties	(2,910)	—	—	—	—	(2,910)
Balance at March 28, 2025 - Predecessor	**1,048,544**	**—**	**—**	**(583,030)**	**—**	**465,514**
Balance at March 29, 2025 - Successor	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Net income (loss)	—	—	(69,641)	—	1,109	(68,532)
Other comprehensive income, net of taxes	—	—	—	19,310	—	19,310
Capital contributions	—	512,644	—	—	—	512,644
Capital contributions - acquisitions	—	94,254	—	—	—	94,254
Establish noncontrolling interests	—	—	—	—	71,936	71,936
Distributions to noncontrolling interests	—	—	—	—	(8,100)	(8,100)
Balance at January 2, 2026 - Successor	**$ —**	**$ 606,898**	**$ (69,641)**	**$ 19,310**	**$ 64,945**	**$ 621,512**

See accompanying Notes to Consolidated (Successor) and Combined (Predecessor) Financial Statements.

CONSOLIDATED (SUCCESSOR) AND COMBINED (PREDECESSOR) STATEMENT OF CASH FLOWS

(In thousands)	Successor Period Ended January 2, 2026	Predecessor Period Ended March 28, 2025	Predecessor Period Ended January 3, 2025
Operating Activities			
Net income (loss)	$ (68,532)	$ 18,863	$ 88,422
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:			
Depreciation and amortization	75,916	1,803	7,493
Disposal losses	132	—	1,545
Deferred income taxes	(19,287)	(384)	(7,636)
Pension (income) expense	1,907	(7,078)	3,756
(Increase) decrease in:			
Receivables	(10,025)	7,553	(20,245)
Contract assets	4,667	(3,535)	4,244
Inventories	21,446	5,037	(1,988)
Other current assets	6,303	5,019	5,544
Increase (decrease) in:			
Accounts payable	(25,162)	(6,757)	(10,642)
Contract liabilities	(4,410)	2,032	(978)
Income taxes	5,912	327	29,083
Accrued expenses and other current liabilities	26,228	(6,582)	1,915
Due to (from) Predecessor Parent, net	—	—	(50,917)
Other	(50,003)	7,370	(31,873)
Net cash provided by (used in) operating activities	(34,908)	23,668	17,723
Investing Activities			
Additions of property, plant and equipment	(12,717)	(1,491)	(4,133)
Cash used to develop software to be sold or marketed	(1,921)	(184)	(1,372)
Proceeds from the sale of property, plant and equipment	5,882	—	—
Cash used in asset acquisition	(30,643)	—	—
Cash used to acquire businesses, net	(1,647,964)	—	—
Net cash used in investing activities	(1,687,363)	(1,675)	(5,505)
Financing Activities			
Net proceeds from borrowings	1,275,206	—	—
Repayments of borrowings	(16,900)	—	(594)
Proceeds from issuance of member’s equity	512,644	—	—
Cash dividends	—	(8,689)	(45,600)
Dividends to related party	—	(2,910)	—
Distributions to noncontrolling interests	(8,100)	—	—
Net transfers (to) from Predecessor Parent	—	(32,706)	10,159
Net cash provided by (used in) financing activities	1,762,850	(44,305)	(36,035)
Effect of exchange rate changes on cash and cash equivalents	267	360	(583)
Net (decrease) increase in cash and cash equivalents	**40,846**	**(21,952)**	**(24,400)**
Cash and cash equivalents, beginning of period	**19,803**	**41,755**	**66,155**
Cash and cash equivalents, end of period	**$ 60,649**	**$ 19,803**	**$ 41,755**
Supplemental disclosure of non-cash investing and financing activities:			
Equity consideration for business combinations	$ (94,254)	**$ —**	**$ —**

See accompanying Notes to Consolidated (Successor) and Combined (Predecessor) Financial Statements.

NOTES TO CONSOLIDATED (SUCCESSOR) AND COMBINED (PREDECESSOR) FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Organization

Acron Technologies, LLC (the “Company”) is a leading provider of advanced communications, sensing and mission-critical avionics systems serving defense, aerospace, and commercial customers globally. The Company is headquartered in St. Petersburg, Florida, with principal operations located in the United States (principally Arizona, Florida, Michigan and Virginia), Australia, Canada, Sweden, Thailand and the United Kingdom.

Acron Technologies, LLC was formed on March 28, 2025, when an affiliate of TJC L.P. ("Acquisition Sub", “Parent”) acquired the outstanding interests of the Commercial Aviation Solutions business (“Acron Aviation”) from L3Harris Technologies, Inc. (the “Acron Aviation Carve-out”). Following the closing of the Acron Aviation acquisition, Acquisition Sub changed its name to Acron Technologies, LLC. The Acron Aviation Carve-out has been accounted for in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for business combinations and accordingly, the Company’s assets and liabilities were recorded at fair values as of March 28, 2025. Refer to Note 3: Business Combinations for additional information.

The timing of the Acron Aviation Carve-out created the need to report Predecessor and Successor periods separately within fiscal 2025 as described further in the Basis of Presentation below.

Basis of Presentation

The Consolidated (Successor) and Combined (Predecessor) Financial Statements have been prepared in accordance with U.S. GAAP. As used in these Notes to Consolidated (Successor) and Combined (Predecessor) Financial Statements (these “Notes”), the terms “Acron Technologies”, “we”, “our”, “us”, the “Company” or the “Successor” refer to Acron Technologies, LLC and its subsidiaries. Intercompany transactions and accounts have been eliminated.

Unless otherwise indicated, all amounts presented in the Consolidated (Successor) and Combined (Predecessor) Financial Statements and accompanying notes are presented in thousands of U.S. dollars.

Predecessor Periods

The Predecessor periods are presented as set forth below.

Predecessor Period Ended January 3, 2025: The period from December 30, 2023 to January 3, 2025 (“Predecessor Period Ended January 3, 2025”) reflects the combined financial statements of Acron Aviation, a carve-out out business of L3Harris Technologies, Inc. (“L3Harris” or the “Predecessor Parent”), for the fiscal year ended January 3, 2025. These financial statements were derived from L3Harris’s accounting records and have been prepared using the legal entity approach, which includes only those assets, liabilities, revenues and expenses that are directly attributable to the legal entities within the Acron Aviation carve-out perimeter to reflect the combined results of operations, financial position and cash flows of the legal entities that comprise Acron Aviation.

The Combined (Predecessor) Statements of Operations and Statements of Comprehensive Income reflect allocations of general corporate expenses incurred by L3Harris including, but not limited to, executive management, finance, legal, information technology, employee benefits administration, treasury, risk management, procurement and other shared services. These allocations were made using L3Harris’s three-factor allocation methodology, which anchors to the Company’s revenue, headcount and fixed assets, depending on the nature of the underlying service. Information technology costs, in particular, were allocated based on headcount, which management believes reasonably reflects the level of services consumed by Acron. However, the allocations may not be indicative of the actual expenses that would have been incurred had Acron operated as an independent, stand-alone company.

The Combined (Predecessor) Balance Sheet includes the assets and liabilities of Acron. During the Predecessor periods, L3Harris used a centralized approach to cash management and financing of its operations. The cash of Acron’s U.S. operations was transferred to a L3Harris corporate bank account daily and L3Harris funded Acron’s working capital and capital expenditure requirements as needed. In contrast, cash held by Acron’s international operations and by Aviation Communication & Surveillance Systems subsidiary (“ACSS”) was not

subject to the daily sweep process and remained within the respective local entities' bank accounts and is presented as cash within the Combined (Predecessor) Balance Sheet. Assets and liabilities for amounts due to or due from L3Harris during the Predecessor periods are classified based on the Company's intention and history of cash settlement. Intercompany balances that have historically been cash settled are presented as "Due to related parties" or "Due from related parties", while other amounts are included in the "Net owners' investment" line item in the Combined (Predecessor) Balance Sheet. Cash transfers to and from L3Harris are reflected in the Combined (Predecessor) Statement of Cash Flows as "Net transfers (to) from Predecessor Parent." Outside of ACSS and the Company's international operations, the Company did not maintain its own cash balances or separate financing arrangements during the Predecessor period.

Transactions between Acron Aviation and other L3Harris businesses during the Predecessor periods and transactions with an unrelated investor in ACSS in both the Predecessor and Successor periods are reflected in these Consolidated (Successor) and Combined (Predecessor) Financial Statements and disclosed as related-party transactions. Refer to *Note 16: Related Party Transactions* for additional information. All significant intracompany accounts and transactions among the Acron components have been eliminated.

The Company's operations are included in the consolidated U.S. federal and certain state, local, and foreign income tax returns filed by L3Harris for the Predecessor fiscal year ended January 3, 2025, where applicable. The provision for income taxes included in these Combined (Predecessor) Financial Statements has been determined using the separate return method as if the Company filed its own tax returns.

Predecessor Period Ended March 28, 2025: The Period from January 4, 2025 to March 28, 2025 ("Predecessor Period Ended March 28, 2025") reflects the combined financial statements of Acron Aviation from the beginning of the fiscal year ended January 2, 2026 through the closing of the Acron Aviation Carve-out. The same basis of presentation and allocation methodology described above applies to this stub period.

Successor Periods

Effective March 28, 2025, Acron Technologies completed the acquisition of Acron Aviation in the Acron Aviation Carve-out. Accordingly, the Consolidated Financial Statements (Successor) reflect the consolidated results of Acron Technologies from March 29, 2025 forward. The Successor period is presented as set forth below.

Successor Period Ended January 2, 2026: The period from March 29, 2025 to January 2, 2026 ("Successor Period Ended January 2, 2026") includes the impact of purchase accounting resulting from the Acron Aviation Carve-out and reflects the consolidated results of Acron Technologies, LLC and its subsidiaries. See *Note 3: Business Combinations* for additional information. The Successor financial statements are presented on a consolidated basis and include the results of operations, financial position and cash flows of Acron Technologies and its subsidiaries from the closing date of the Acron Aviation Carve-out through the end of the reporting period. The Successor period also reflects the impact of subsequent acquisitions and other transactions completed after the Acron Aviation Carve-out, as applicable.

Fiscal Periods

Acron's fiscal year ends the Friday nearest December 31. The Successor Period ended January 2, 2026 included 40 weeks; the Predecessor Period ended March 28, 2025 included 12 weeks; and the Predecessor Period ended January 3, 2025 included 53 weeks.

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The Company's Consolidated (Successor) and Combined (Predecessor) Financial Statements include amounts that are based on management's best estimates and judgments. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. During the Predecessor periods, because U.S. cash was swept daily into L3Harris's centralized treasury accounts, the cash and cash equivalents balance as of January 3, 2025 consists primarily of cash held in non-U.S. bank accounts. In addition, ACSS maintains cash balances in U.S. accounts that are swept

into a money market mutual fund with same-day or next-day liquidity. The Company did not hold any other cash equivalent investments as of January 3, 2025. The Cash and cash equivalents line on the Consolidated (Successor) Balance Sheet reflects cash account balances of bank accounts owned by Acron Technologies and subsidiaries as of January 2, 2026. The company did not hold any other cash equivalent investments as of January 2, 2026.

Fair Value Measurements

Under the accounting guidance for fair value measurements and disclosures, a fair value hierarchy was established that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The Company uses the following valuation techniques to measure fair value for its assets and liabilities:

Level 1	– Quoted market prices in active markets for identical assets or liabilities;
Level 2	– Other observable inputs (e.g., quoted prices for similar items in active markets, quoted prices for identical or similar items in markets that are not active, inputs other than quoted prices that are observable such as interest rate and yield curves, and market corroborated inputs); and
Level 3	– Unobservable inputs for the asset or liability supported by little or no market activity, which are valued based on management's estimates of assumptions that market participants would use in pricing the asset or liability.

Accounts Receivable

Accounts receivable are recognized net of an allowance for credit losses. The allowance for credit losses reflects the best estimate of expected credit losses inherent in the Company's accounts receivable portfolio. Expected credit losses are determined based on a combination of factors, including historical loss experience, specific identification of known troubled accounts, current economic conditions, and other available information. Accounts receivable are written off when management determines that collection is not probable.

Contract Assets and Liabilities

The timing of revenue recognition, customer billings and cash collections results in accounts receivable, contract assets and contract liabilities at the end of each reporting period. Contract assets include unbilled amounts created when revenue is recognized for a performance obligation but the right to bill the customer is conditioned on something other than the passage of time, such as the achievement of contractual milestones, completion of specific units of work, or other performance-based criteria. Contract assets arise primarily in long-term, over-time arrangements when revenue recognized under the percentage-of-completion ("POC") cost-to-cost method exceeds amounts billable under the billing terms of the contract (e.g., unbilled receivables). Contract assets are recognized as accounts receivable when the right to payment becomes unconditional.

A contract liability is recorded when consideration is received, or is contractually due, from a customer before the Company has transferred the related goods or services. Contract liabilities arise primarily when contractual billing terms, such as advance payments or early progress billings, precede the satisfaction of the underlying performance obligations. Contract liabilities are recognized as revenue when the related performance obligations are satisfied.

Contract assets and liabilities are presented on a net basis at the contract level. Certain of the Company's contracts are long-term arrangements with customers under which revenue is recognized over time as control of goods or services transfers to the customer. The timing of payments under these arrangements is structured based on contractual milestones, progress billings, or other factors related to the underlying performance obligations, and therefore does not give rise to a significant financing component.

Refer to *Note 6: Contract Assets and Liabilities* for additional information.

Inventories

The Company's inventories are valued at the lower of cost or net realizable value. Elements of cost in inventories include raw materials, direct labor and an allocation of manufacturing overhead. Cost is generally determined using weighted average standard cost, which approximates a first-in, first-out ("FIFO") cost flow assumption. Inventory costs are relieved and recorded to cost of revenue as goods are sold or consumed in production. We establish allowances for obsolescence of inventory based upon quality considerations and assumptions about future demand and market conditions.

Costs to Obtain or Fulfill a Contract

Costs to obtain a contract are incremental direct costs incurred to obtain a contract with a customer, including sales commissions and dealer fees, and are capitalized if material. Costs to fulfill a contract include costs directly related to a contract or specific anticipated contract (for example, mobilization, set-up and certain design costs) that generate or enhance our ability to satisfy our performance obligations under these contracts. These costs are capitalized to the extent they are expected to be recovered from the associated contract. Capitalized costs to obtain or fulfill a contract are amortized to expense over the expected period of benefit for contracts with terms greater than one year on a systematic basis that is consistent with the pattern of transfer of the associated goods and services to the customer. As a practical expedient, capitalized costs to obtain or fulfill a contract with a term of one year or less are expensed as incurred. Capitalized costs to obtain or fulfill a contract included in the "Other current assets" and "Other non-current assets" line items in our Consolidated (Successor) and Combined (Predecessor) Balance Sheets were $2,423 thousand and $2,563 thousand at January 2, 2026 and January 3, 2025, respectively.

Property, Plant and Equipment

Property, plant and equipment are carried on the basis of cost. Depreciation of buildings, machinery and equipment is computed by the straight-line method. We include fully depreciated assets in our gross property, plant and equipment and accumulated depreciation disclosures until they are removed from service. See *Note 8: Property, Plant and Equipment* for additional information regarding asset classes and estimated useful lives.

Capitalized Software

Capitalized software costs are included within the "Other non-current assets" line item of our Consolidated (Successor) and Combined (Predecessor) Balance Sheets and are amortized on a straight-line basis over the expected useful life of the software. Development costs incurred for software intended to be sold, licensed or otherwise marketed to customers subsequent to the establishment of technological feasibility are capitalized, while development costs not meeting the criteria for capitalization are expensed as incurred.

Goodwill

We follow the acquisition method of accounting to record assets and liabilities of acquired businesses at their estimated fair value at the date of the acquisition. We initially record goodwill for the amount the consideration transferred exceeds the acquisition-date fair value of the net identifiable assets acquired. We test goodwill for impairment at a level within the Company referred to as the reporting unit, which is our operating segment level or one level below the operating segment. We test goodwill for impairment annually as of the first day of the fourth quarter, or under certain circumstances, more frequently, such as when events or circumstances indicate there may have been an impairment. Such events or circumstances may include a significant deterioration in overall economic conditions, changes in the business climate of our industry, operating performance indicators, competition, reorganization of our business or the disposal of all or a portion of a reporting unit.

To test goodwill for impairment, we may perform both qualitative and quantitative assessments. If we elect to perform a qualitative assessment for a certain reporting unit, we evaluate events and circumstances impacting the reporting unit to determine the probability that goodwill is impaired. If we determine it is more-likely-than-not that the fair value of the reporting unit is less than its carrying amount, we measure any loss from an impairment by comparing the fair value of each reporting unit to its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, goodwill is considered impaired, and an impairment loss is recognized in an amount equal to that excess. See *Note 3: Business Combinations* and *Note 4: Goodwill and Intangible Assets* in these Notes for additional information regarding goodwill.

Intangible Assets

Long-lived assets, including finite-lived intangible assets, are amortized to expense over their useful lives, typically on a straight-line basis depending on the nature of the asset. The fair value of acquired intangible assets are determined using income approaches, including the multi-period excess earnings and the relief from royalty methods. We assess the recoverability of the carrying value of finite-lived intangible assets, whenever events or changes in circumstances indicate the carrying amount of the assets may not be recoverable in accordance with the impairment of long-lived assets accounting policy below. See *Note 4: Goodwill and Intangible Assets* in these Notes for additional information regarding intangible assets.

Leases

We determine whether an arrangement contains a lease at the inception of the arrangement based on the terms and conditions in the contract. A contract contains a lease if there is an identified asset and we have the right to control the asset. We recognize right of use ("ROU") assets and lease liabilities in our Consolidated (Successor) and Combined (Predecessor) Balance Sheets, representing our right to use an underlying asset for the lease term and our obligation to make lease payments arising from the lease, respectively. Operating lease ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of future lease payments. The present value of future lease payments is determined using our incremental borrowing rate because the rate implicit in the lease is not readily determinable. As a practical expedient, leases with a term of twelve months or less (including reasonably expected extension periods) are expensed as incurred.

Operating lease assets and finance lease assets are included in the "Right of use assets" and "Property, plant and equipment, net" line items in our Consolidated (Successor) and Combined (Predecessor) Balance Sheets, respectively. Operating lease liabilities and finance lease liabilities for obligations due within twelve months are included in the "Other current liabilities" line item in our Consolidated (Successor) and Combined (Predecessor) Balance Sheets. Operating lease liabilities and finance lease liabilities for obligations due in more than twelve months are included in the "Long-term lease liabilities" and "Other long-term liabilities" line items of our Consolidated (Successor) and Combined (Predecessor) Balance Sheets, respectively.

As a practical expedient, we account for lease and non-lease components as a single component for all asset classes. In certain of our equipment leases, the portfolio approach is applied to account for the associated operating lease ROU assets and lease liabilities. Operating lease expense is recognized on a straight-line basis over the lease term in the "Selling, general and administrative expenses" and "Cost of revenue" line items of our Consolidated (Successor) and Combined (Predecessor) Statements of Operations. For finance leases, amortization of ROU assets and interest on finance lease liabilities are recorded in the "Selling, general and administrative expenses" and "Interest (expense) income, net" line items of our Consolidated (Successor) and Combined (Predecessor) Statement of Operations.

See *Note 11: Leases* in these Notes for additional information regarding leases.

Other Assets and Liabilities

No assets within the "Other current assets" or "Other non-current assets" line items in our Consolidated (Successor) and Combined (Predecessor) Balance Sheets exceeded 5 percent of our total current assets or total assets at January 2, 2026 or January 3, 2025, respectively. No liabilities or expenses within the "Other current liabilities" or "Other long-term liabilities" line items in our Consolidated (Successor) and Combined (Predecessor) Balance Sheets exceeded 5 percent of our total current liabilities or total liabilities at January 2, 2026 or January 3, 2025, respectively.

Accrued expenses consist of the following:

(In thousands)	Successor January 2, 2026	Predecessor January 3, 2025
Accrued payroll and other payroll withholdings	$ (10,959)	$ (2,516)
Accrued vacation	(2,078)	(643)
Accrued bonuses	(11,022)	(6,038)
Accrued warranties	(8,069)	(1,347)
Accrued commissions	(409)	(3,933)
Other accrued expenses	(58,209)	(20,150)
Accrued expenses	$ (90,746)	$ (34,627)

Foreign Currency Translation

Our worldwide operations utilize the U.S. dollar ("USD") or local currency as the functional currency, where applicable. The determination of functional currency is based on the primary economic environment in which each entity operates.

For foreign entities where the local currency is the functional currency, assets and liabilities denominated in local currencies are translated into USD at end-of-period exchange rates and the resultant translation adjustments are reported, net of their related tax effects, as a component of accumulated other comprehensive (loss) income in equity. Assets and liabilities denominated in other than the local currency are re-measured into the local currency prior to translation into USD and the resultant exchange gains or losses are included in income in the period in which they occur. Income and expenses are translated into USD at average exchange rates in effect during the period.

Impairment and Disposals of Long-Lived Assets

We evaluate the carrying value of our long-lived assets to be held and used when events or changes in circumstances indicate that the carrying value may not be recoverable. The carrying value of a long-lived asset group is considered for impairment when the total projected undiscounted cash flows from the assets are separately identifiable and are less than its carrying value. In that event, the fair value of the long-lived asset group would be measured and a loss would be recognized for the amount by which the carrying value exceeds the fair value of the long-lived asset group. Our fair value methodology is based on prices of similar assets or other valuation methodologies including present value techniques. Long-lived assets to be disposed of by sale are classified as held for sale and reported at the lower of carrying amount or fair value less cost to sell, and depreciation is ceased. Long-lived assets to be disposed of other than by sale are classified as held and used until they are disposed of and depreciation is recognized over the remaining useful life of the assets.

Revenue Recognition

Revenue is recognized when control of promised goods or services transfer to the customer, in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. The Company's revenue is derived from the delivery of training and avionics, maritime and rescue systems, engineering and development services, training programs, and support and maintenance arrangements.

Performance obligations are identified at the outset of a contract and represent distinct goods or services promised to the customer. Contracts may be performed under various contractual arrangements and are primarily executed as a prime contractor. Payment terms are generally 30–60 days after invoicing.

Refer to *Note 15: Business Segments* for additional information regarding the disaggregation of revenue.

The Company evaluates contracts using the following principles:

Identification of Performance Obligations

We evaluate the promised goods and services in each contract to determine whether promised goods and services represent one or more performance obligations. A performance obligation is a distinct promise to a customer that represents the unit of accounting for revenue recognition. The majority of our revenue is for the sale of distinct products to a customer that can readily be sold to other customers. Accordingly, such products are accounted for as a separate performance obligation. We also design and manufacture training systems for customers whereby the design and manufacturing of the systems requires a high degree of integration that generally results in these services being accounted for as a single performance obligation. Our service contracts include arrangements to provide training services, engineering services or other aftermarket services. Each service is generally distinct and recognized as a single performance obligation.

Revenue Recognized Over Time

A portion of our revenue is recognized over time, because one or more of the following criteria are met:

- The customer simultaneously receives and consumes the benefits of the services,
- Our work creates or enhances an asset that the customer controls as the asset is created, or
- The work performed does not have an alternative use, and we have an enforceable right to payment for performance completed to date.

For performance obligations satisfied over time, we recognize revenue using methods that best depict the transfer of control to the customer. Engineering services and full flight simulators are recognized using a cost-to-cost input method, whereby revenue is recognized based on the proportion of costs incurred relative to total estimated costs at completion. Training services and other training systems are recognized over time using an output method based on the passage of time and delivery of services.

Revenue Recognized at a Point in Time

Revenue is recognized at a point in time for certain product shipments when the criteria for over-time revenue recognition described above are not met and control transfers to the customer. For performance obligations satisfied at a point in time, the Company evaluates several indicators to determine when control transfers to the customer, including the transfer of legal title, physical possession, risks and rewards of ownership, and customer acceptance provisions. Judgment is required in assessing these indicators, particularly for contracts with customer-specific acceptance criteria.

Contract Modifications

Contract modifications are most frequently received on our POC contracts and relate to change orders or additions of incremental scope. Modifications are evaluated to determine whether they should be accounted for as separate contracts or as modifications to existing performance obligations. Most contract modifications are treated as adjustments to the existing contract and recognized on a cumulative catch-up basis.

Estimate at Completion

Estimate at Completion (“EAC”) adjustments represent the cumulative effect of the changes from current and prior periods; revenue and operating margins in future periods are recognized as if the revised estimates had been used since contract inception. Any anticipated losses on these contracts are fully recognized in the period in which the losses became evident.

Net EAC adjustments had the following impact to earnings for the periods presented:

(In thousands)	Successor Period Ended January 2, 2026	Predecessor Ended March 28, 2025	Predecessor Ended January 3, 2025
Net EAC adjustments, before income taxes	$ 3,884	$ 388	$ 2,896
Net EAC adjustments, net of income taxes	$ 3,068	$ 306	$ 2,288

Backlog, which is the equivalent of our remaining performance obligations, represents the future revenue expected to be recognized as we perform on current contracts. Backlog excludes unexercised contract options and potential orders under ordering-type contracts. At January 2, 2026, ending backlog was $64,447 thousand, of which $48,068 thousand is expected to be recognized in 2026. At January 3, 2025, ending backlog was $66,448 thousand, $43,947 thousand of which was recognized in 2025.

Concentrations

Customer concentration may impact our overall credit risk, either positively or negatively, in that these entities may be similarly affected by changes in economic or other conditions affecting the industry. For the Successor Period Ended January 2, 2026 and the Predecessor Period Ended March 28, 2025, no single customer accounted for more than 10% of total accounts receivable and one customer accounted for 11% and 13%, respectively, of the Company's total revenue. During the Predecessor Period Ended January 3, 2025, no single customer accounted for more than 10% of our total revenue or accounts receivable.

We are also dependent on certain key suppliers for the purchase of critical materials and components. No individual supplier accounted for 10% or more of total purchases during the Successor Period Ended January 2, 2026 or the Predecessor Period Ended March 28, 2025. During the Predecessor Period Ended January 3, 2025, purchases from our most concentrated individual supplier represented 11% of our total purchases. Purchases from this supplier primarily include direct materials such as circuit card assemblies and cabling. Disruptions in the operations or availability of these suppliers could adversely affect the Company's ability to manufacture and deliver products.

The Company's maximum exposure to credit risk at January 2, 2026 and January 3, 2025 equals the carrying amounts of its accounts receivable. The Company does not generally require collateral or other credit enhancements to support these receivables.

Cost of Revenue

Cost of revenue primarily includes the costs associated with manufacturing and delivering products and services, such as raw materials, direct labor, manufacturing overhead and other operational expenses. These expenses include certain allocations of depreciation and amortization expense. For service and support arrangements, cost of revenue also encompasses the costs of providing training, maintenance and sustainment services.

Selling, General and Administrative Expenses

Selling, general and administrative expenses primarily include selling and marketing expenses, incentive bonuses, functional costs, depreciation and business management expenses.

Research and Development

Research and development costs are expensed as incurred. Research and development expenses includes costs (primarily consisting of employee costs, materials, contract services, research agreements, and other external spend) relating to the discovery and development of new products and enhancement of existing products.

Litigation

Accruals for legal matters are recorded when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated. Legal costs, such as outside counsel fees and expenses, are charged to selling, general and administrative expense in the period incurred.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising expenses were $2,373 thousand, $614 thousand and $5,997 thousand for the Successor period ended January 2, 2026, Predecessor period March 28, 2025 and Predecessor fiscal year ended January 3, 2025, respectively, and were recorded in selling, general, and administrative expenses on the Consolidated (Successor) and Combined (Predecessor) Statements of Operations.

Income Taxes

The Company accounts for income taxes using the asset-and-liability method. Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the financial-statement carrying amounts and the corresponding tax bases of assets and liabilities, as well as for operating-loss and tax-credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply in the years in which those temporary differences are expected to be realized or settled. The effect of a change in tax rates is recognized in income in the period of enactment. Deferred tax assets are reduced by a valuation allowance when it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are classified as noncurrent and are presented on a net basis within each tax jurisdiction.

The Company recognizes the financial statement effects of uncertain income-tax positions when it is more-likely-than-not, based on their technical merits, that the positions will be sustained upon examination by taxing authorities. Recognized benefits are measured as the largest amount of tax benefit that is greater than 50 percent likely of being realized upon settlement. Interest and penalties related to uncertain tax positions are recognized in income-tax expense. The current portion of unrecognized tax benefits is included in “Income taxes payable,” and the noncurrent portion in “Other long-term liabilities.”

Income-tax expense (benefit) is allocated between continuing operations and items recorded directly in equity or accumulated other comprehensive income (loss), such as foreign-currency translation adjustments and pension-related items, in accordance with ASC 740-20-45.

The Company treats global intangible low-taxed income (GILTI) as a period cost, recognizing related tax expense in the period incurred. Deferred taxes for GILTI are not recorded.

Employee Benefits

Defined Benefit Pension and Postretirement Plans

The Company participates in defined benefit pension and other postretirement benefit plans that provide benefits to eligible employees based on years of service and compensation levels. The accounting for these plans requires the use of various actuarial assumptions, including discount rates, expected long-term rates of return on plan assets, mortality rates, and compensation increase assumptions. These assumptions are evaluated annually and updated as appropriate based on current market conditions and experience.

These plans were historically sponsored by L3Harris during the Predecessor periods. Except with respect to defined benefit pension plan of ACSS, the Company has accounted for its participation in the L3Harris-sponsored plans under the multi-employer approach and as such the net benefit obligation for these plans are not included in the Combined (Predecessor) Financial Statements.

The defined benefit pension plan of ACSS, however, only includes employees of the Company and was transferred to the Company in connection with the sale to TJC. As a result, the Company has accounted for this plan

as if it were the plan sponsor in the Combined (Predecessor) Financial Statements. The Company became the plan sponsor in the Consolidated (Successor) Financial Statements.

The funded status of the ACSS plan, representing the difference between the fair value of plan assets and the projected benefit obligation, is recognized on the Consolidated (Successor) and Combined (Predecessor) Balance Sheets. Changes in the funded status are recognized in the period in which they occur through other comprehensive income (loss) to the extent not included in net periodic benefit cost. Actuarial gains and losses and prior service costs or credits are recorded in AOCI and amortized into earnings over the expected future service periods of active participants. See *Note 12: Retirement Benefits* in these Notes for additional information regarding the defined benefit plan of ACSS.

Defined Contribution Pension Plans

The Company maintains defined contribution pension plans for certain of its employees. Participants may contribute a portion of eligible compensation, and the Company matches employee contributions up to 6% of eligible pay. Employer matching contributions were $2,879 thousand, $1,395 thousand and $4,854 thousand for the Successor period ended January 2, 2026, Predecessor period ended March 28, 2025 and Predecessor fiscal year ended January 3, 2025, respectively. Contributions are recorded as expense when incurred.

Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) (“AOCI”) includes revenues, expenses, gains, and losses that are excluded from net income but recognized in equity, net of applicable taxes. The Company’s AOCI primarily consists of foreign currency translation adjustments and actuarial gains and losses related to defined benefit pension and postretirement plans.

Warranties

The Company provides assurance-type warranties on certain products sold to customers. These warranties generally cover defects in materials and workmanship for a specified period following delivery and do not represent separate performance obligations. Estimated warranty obligations are recorded in accrued expenses or other long-term liabilities, depending on the expected timing of settlement, when the related products are delivered to customers. Estimates are based on historical claim experience and expected future costs and are adjusted in the period additional information becomes available.

At January 2, 2026, the Company recorded $8,069 thousand and $4,571 thousand, respectively, within accrued expenses and other long-term liabilities on the Consolidated (Successor) Balance Sheet. At January 3, 2025, the Company recorded $1,347 thousand and $5,571 thousand, respectively, within accrued expenses and other long term liabilities on the Combined (Predecessor) Balance Sheet.

The below table presents the changes in the Company’s accrued product warranty costs during the Successor and Predecessor periods ended:

(In thousands)	Successor Period Ended January 2, 2026	Predecessor Period Ended March 28, 2025	Predecessor Period Ended January 3, 2025
Balance, beginning of period	$ (7,206)	$ (6,918)	$ (6,201)
Accruals for product warranties issued during the period	(3,287)	(1,022)	(4,837)
Settlements made during the period	2,256	734	4,120
Acquired warranty obligations	(4,403)	—	—
Balance, end of period	$ (12,640)	$ (7,206)	$ (6,918)

Share-Based Compensation

Certain employees of the Company participated in share-based compensation plans sponsored by L3Harris during the Predecessor periods. Awards granted under these plans may include restricted share units, performance share units, share options or other equity-based awards. Because the Company does not sponsor these plans and does not issue equity, share-based compensation expense is allocated to the Company by L3Harris based on a three-factor

formula that considers the Company's revenue, headcount, and fixed assets relative to the total population in the allocation pool.

Share-based compensation is accounted for in accordance with ASC 718, Compensation-Stock Compensation. Awards are measured at fair value on the grant date by L3Harris. Fair value is determined using valuation techniques appropriate to the award type, including market-based models for awards with market conditions and option-pricing models for share options. The related expense is recognized over the requisite service period of each award. Forfeitures are recognized as they occur. Share-based compensation expense allocated to the Company is $314 thousand and $1,103 thousand, respectively, and was included within selling, general, and administrative expenses in the Combined (Predecessor) Statements of Operations for the Predecessor period ended March 28, 2025 and Predecessor fiscal year ended January 3, 2025. Share-based compensation expense in the Successor period was immaterial and related to certain employees included in the ACR acquisition. See *Note 3: Business Combinations* for further information on the acquisition of ACR Group Parent, Inc. and AspenPoint Group LLC and their subsidiaries (collectively, "ACR").

NOTE 2: ACCOUNTING CHANGES AND RECENT ACCOUNTING PRONOUNCEMENTS

Recently Adopted Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. This ASU enhances income tax disclosure requirements, including expanded disclosures of income taxes paid by jurisdiction, disaggregation of income tax expense, and additional information related to effective tax rate reconciliations. The guidance is effective for annual periods beginning after December 15, 2024. The Company adopted this standard for both the Predecessor period ended March 28, 2025 and the Successor period ended January 2, 2026 and applied the provisions prospectively to our income tax disclosures. See *Note 13: Income Taxes* for further information. The adoption of ASU 2023-09 did not have any impact on our Consolidated Financial Statements.

Recently Issued Accounting Pronouncements

The FASB has issued ASU 2025-06, Intangibles-Goodwill and Other-Software (Subtopic 350-40): Accounting for and Disclosure of Software Costs. The ASU amends the guidance related to the capitalization and disclosure of internal-use software costs and removes references to certain development stages, requiring companies to capitalize internal-use software costs when management commits to funding the software project and it is probable the project will be completed. The guidance is effective for the Company for annual periods beginning after December 15, 2027. The Company is currently evaluating the impact of this update on the Consolidated Financial Statements.

The FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40). This ASU requires enhanced disclosures about significant expense categories included within relevant income statement line items, including disaggregation of costs such as employee compensation, depreciation, and amortization. The guidance is effective for fiscal years beginning after December 15, 2026, and interim periods thereafter. The Company is currently evaluating the impact of this update on the Consolidated Financial Statements; however, adoption is not expected to have a material effect on the Company's results of operations, financial position, or cash flows, though it is expected to result in expanded disclosures in the notes to the Consolidated Financial Statements.

NOTE 3: BUSINESS COMBINATIONS

We made three acquisitions during 2025. We accounted for each acquisition under the acquisition method of accounting, which requires us to measure identifiable assets acquired, liabilities assumed and any noncontrolling interests in the acquiree at their fair values as of the closing date, with the excess of the consideration transferred over those fair values recorded as goodwill. The fair value of acquired intangible assets are determined using income approaches, including the multi-period excess earnings and the relief from royalty methods. The significant assumptions utilized in determining the fair value of intangible assets include the underlying projected revenue growth rates and discount rate. These assumptions include forward-looking considerations and could be affected by future economic and market conditions

Acron Aviation Carve-out

On March 28, 2025, Acron Technologies was formed when an affiliate of TJC L.P. ("Acquisition Sub") acquired the outstanding interests of the Commercial Aviation Solutions business (“Acron Aviation”) from L3Harris Technologies, Inc. (the “Acron Aviation Carve-out”) for cash consideration of $836,650 thousand less cash acquired. See *Note 1: Significant Accounting Policies* for additional information regarding the formation of Acron Technologies and the Predecessor and Successor periods.

Our calculation of consideration transferred is as follows:

(In thousands)	**March 28, 2025**
Cash consideration paid	$ 836,650
Less cash acquired	(19,739)
Fair value of net consideration transferred	$ 816,911

The following table summarizes the acquisition date fair values of the assets acquired and liabilities assumed:

(In thousands)	Fair Value as of March 28, 2025
Receivables	$ 88,121
Contract assets	40,965
Inventories	172,296
Other current assets	15,825
Property, plant and equipment	79,134
Right of use assets	45,619
Other intangible assets	453,200
Goodwill	208,882
Other non-current assets	30,893
Total assets acquired	$ 1,134,935
Accounts payable	$ 80,207
Contract liabilities	48,540
Other current liabilities	53,071
Long-term lease liabilities	40,923
Deferred taxes	10,037
Other long-term liabilities	13,546
Total liabilities assumed	246,324
Net assets acquired	888,611
Noncontrolling interests	(71,700)
Net consideration transferred	$ 816,911

The goodwill resulting from the Acron Aviation Carve-Out was $208,882 thousand and $217,167 thousand of goodwill is deductible for tax purposes. The goodwill recognized relates to the expected benefits from the expanded portfolio of services and expansion of industries served. The other intangible assets of $453,200 thousand were primarily associated with Acron Aviation's customer relationships of $332,000 thousand with weighted average useful lives of approximately 10 years, developed technology of $89,900 thousand with weighted average useful lives of 6 years and existing customer backlog of $31,300 thousand with weighted average useful lives of approximately 7 years. See Note 4: Goodwill and Intangible Assets for additional information. The purchase price allocation included establishing the fair value of noncontrolling interest of $71,700 thousand related to a third party investment in ACSS. The fair value of noncontrolling interest was determined using the income approach, which incorporates significant assumptions, including projected revenue growth rates and discount rate. The fair value measurement was classified as a Level 3 fair value measurement because it incorporated significant unobservable inputs.

Transaction costs paid on behalf of TJC L.P. and related expenses incurred for this acquisition totaled $18,138 thousand, which were recorded within the "Selling, general and administrative expenses" line item in our Consolidated (Successor) Statement of Operations for the Successor period ended January 2, 2026. See Note 16: Related Party Transactions for additional information.

Trakka Group

On October 28, 2025, we acquired the outstanding equity interests of Trakka Group ("Trakka") and its

subsidiaries to expand our products and service offerings to customers as well as expand geographies we serve. Trakka designs and manufactures mission-critical vision technology solutions for military, law enforcement, public safety and other customers, and provides post-production services, including training, maintenance and repair.

The following table summarizes the fair value of consideration transferred:

(In thousands)	October 28, 2025
Cash consideration paid	$ 112,790
Parent equity consideration [1]	10,000
Less cash acquired	(13,719)
Fair value of net consideration transferred	$ 109,071

[1] The equity consideration issued in connection with the acquisition consisted of equity interest issued by our Parent holding company. We measured the equity consideration based on a Monte Carlo simulation based on future financial performance, volatility and other market assumptions and the occurrence or non-occurrence of future events. The fair value measurement was classified as a Level 3 fair value measurement because it incorporated significant unobservable inputs.

The preliminary estimates and measurements are subject to change during the measurement period as we receive final information to complete our analysis. The primary areas that may be subject to revision include fair values of intangible assets, goodwill, and related tax attributes. The following table summarizes the provisional acquisition date fair values of the assets acquired and liabilities assumed:

(In thousands)	Fair Value as of October 28, 2025
Receivables	$ 7,629
Inventories	16,956
Other current assets	585
Property, plant and equipment	3,927
Right of use assets	391
Other intangible assets	47,500
Goodwill	57,590
Other non-current assets	84
Total assets acquired	134,662
Accounts payable	(6,579)
Income taxes payable	(708)
Other current liabilities	(7,721)
Long-term lease liabilities	(273)
Deferred tax liabilities	(9,338)
Other long-term liabilities	(972)
Total liabilities assumed	(25,591)
Net consideration transferred	$ 109,071

The goodwill resulting from the Trakka Group acquisition was $57,590 thousand, of which $3,722 thousand is deductible for tax purposes. The goodwill recognized relates to the expected benefits from the expanded portfolio of services and expansion of industries served. The other intangible assets of $47,500 thousand were

primarily associated with Trakka's customer relationships of $19,600 thousand with weighted average useful lives of 10 years, trade name of $8,000 thousand with weighted average useful lives of 15 years, developed technology of $15,800 thousand with weighted average useful lives of 5 years and existing customer backlog of $4,100 thousand with weighted average useful lives of 2 years. See *Note 4: Goodwill and Intangible Assets* for additional information.

The operating results of Trakka have been included in our Consolidated (Successor) Financial Statements since the date of acquisition, including $9,913 thousand of revenue and $182 thousand of net income for the Successor period ended January 2, 2026, which includes the effect of amortizing provisional acquisition date fair values of acquired intangible assets listed above.

Transaction costs and related expenses incurred for this acquisition totaled $3,049 thousand, which were recorded within the "Selling, general and administrative expenses" line item in our Consolidated (Successor) Statement of Operations for the Successor period ended January 2, 2026.

ACR

On November 6, 2025, we acquired the outstanding equity interests of ACR Group Parent, Inc. and AspenPoint Group LLC and their subsidiaries (collectively, "ACR"). The primary reason for the acquisition was to expand the portfolio of products and service offerings to customers, including expanded offerings in defense technology. ACR provides aviation communication, tracking and safety solutions to customers across commercial and government markets, including emergency locator transmitters, search and rescue equipment, aviation communications equipment and satellite-based tracking and surveillance technology.

The following table summarizes the fair value of consideration transferred:

(In thousands)	**November 6, 2025**
Cash consideration paid	$ 753,384
Parent equity consideration [(1)]	84,254
Less cash acquired	(21,404)
Fair value of net consideration transferred	$ 816,234

[(1)] The equity consideration issued in connection with the acquisition consisted of equity interests issued by our Parent holding company. We measured the equity consideration based on implied equity value as of the acquisition date.

The preliminary estimates and measurements are subject to change during the measurement period as we receive final information to complete our analysis. The primary areas that may be subject to revision include fair values of intangible assets, goodwill, and related tax attributes. The following table summarizes the provisional acquisition date fair values of the assets acquired and liabilities assumed:

(In thousands)	Fair Value as of November 6, 2025
Receivables	$ 37,585
Inventories	62,569
Other current assets	11,958
Property, plant and equipment	24,682
Right of use assets	4,803
Other intangible assets	579,457
Goodwill	237,701
Other non-current assets	41,244
Total assets acquired	999,999
Accounts payable	12,946
Contract liabilities	5,545
Income taxes payable	765
Other current liabilities	17,716
Long-term lease liabilities	4,001
Deferred tax liabilities	139,013
Other long-term liabilities	3,702
Total liabilities assumed	183,688
Net assets acquired	816,311
Noncontrolling interests	(77)
Net consideration transferred	$ 816,234

The goodwill resulting from the ACR acquisition was $237,701 thousand, of which $30,381 thousand is deductible for tax purposes. The goodwill recognized relates to the expected benefits from the expanded portfolio of services and expansion of industries served. The other intangible assets of $579,457 thousand was primarily associated with ACR's customer relationships of $391,700 thousand with weighted average useful lives of approximately 17 years, trade names of $64,400 thousand with weighted average useful lives of 13 years, developed technology of $87,300 thousand with weighted average useful lives of approximately 8 years, existing customer backlog of $10,400 thousand with weighted average useful lives of approximately 2 years and other intangible assets of $25,657 thousand with useful lives of 5 years. See *Note 4: Goodwill and Intangible Assets* for additional information.

The operating results of ACR have been included in our Consolidated (Successor) Financial Statements since the date of acquisition, including $49,424 thousand of revenue and $548 thousand of net loss for the Successor period ended January 2, 2026, which includes the effect of amortizing provisional acquisition date fair values of intangible assets listed above.

Transaction costs and related expenses incurred for this acquisition totaled $3,465 thousand, which were recorded within the "Selling, general and administrative expenses" line item in our Consolidated (Successor) Statement of Operations for the Successor period ended January 2, 2026.

Pro Forma Results of Operations

The following table summarizes the unaudited pro forma consolidated revenue and net income (loss) of the Company as if each of the acquisitions described above had been completed on December 30, 2023:

(In millions)	Successor Period Ended January 2,	Predecessor Period Ended March 28, 2025	Predecessor Period Ended January 3, 2025
Revenue	$ 687.4	$ 223.8	$ 848.9
Net income (loss) [1]	8.7	(0.1)	(134.6)

(1) Net income (loss) for the Successor period ended January 2, 2026 includes the effect of provisional acquisition date fair value adjustments to intangible assets and inventory listed above as well as non-recurring transaction related costs.

The pro forma information is not necessarily indicative of the results of operations that would have occurred had the acquisitions been made at the beginning of the periods presented or the future results of the combined operations.

NOTE 4: GOODWILL AND INTANGIBLE ASSETS

Goodwill represents the excess of purchase price over the fair value of net identifiable assets acquired. The goodwill balance presented in the Combined (Predecessor) Financial Statements was derived from L3Harris accounting records and reflects the portion of goodwill historically attributed to the operations that comprise Acron. The goodwill balance presented in the Consolidated (Successor) Financial Statements was derived from the formation of Acron Technologies on March 28, 2025 and the acquisitions completed during the Successor period. See *Note 3: Business Combinations* for additional information on those acquisitions.

Annual Goodwill Impairment Testing

Goodwill is tested for impairment annually during the fourth quarter, or more frequently if events or changes in circumstances indicate that the carrying amount of the reporting unit may not be recoverable. The Company has two reporting units for goodwill testing purposes in the Predecessor periods and six reporting units for goodwill testing purposes in the Successor period. The additional four reporting units came from the ACR and Trakka acquisitions during the fourth quarter of fiscal 2025 after our annual goodwill impairment testing date of October 1. See *Note 15: Business Segments* for additional information on the Company's operating segments.

In the fourth quarter of 2025 and 2024, the Company performed qualitative testing on its reporting units and determined that it is not more likely than not that the fair values of the reporting units are less than the carrying values. The qualitative evaluation is an assessment of factors, including reporting unit operating results and cost factors, as well as industry, market and macroeconomic conditions, to determine whether it is more likely than not (more than 50%) that the fair value of the reporting unit is less than the respective carrying amount, including goodwill.

The following table summarizes changes in the carrying amount of goodwill for the Successor and Predecessor periods ended:

(In thousands)	Successor Period Ended January 2, 2026	Predecessor Period Ended March 28, 2025	Predecessor Period Ended January 3, 2025
Balance, beginning of period	$ —	$ 377,685	$ 378,251
Acquisitions	504,173	—	—
Currency translation adjustment	5,564	1,436	(566)
Balance, end of period	$ 509,737	$ 379,121	$ 377,685

The following table summarizes the carrying amount of goodwill by reportable segment for the Successor period ended January 2, 2026 and Predecessor fiscal year ended January 3, 2025:

(In thousands)	Successor Period Ended January 2, 2026	Predecessor Period Ended January 3, 2025
Avionics	$ 177,060	$ 329,350
Training	32,542	48,335
ACR	241,524	—
Other	58,611	—
Balance, end of period	$ 509,737	$ 377,685

During the Successor period ended January 2, 2026, the Company completed an asset acquisition of thermal switch manufacturing activities that included recognition of customer relationship intangible assets of $32,491 thousand. The following table summarizes Other intangible assets, net for the Successor period ended January 2, 2026:

(In thousands)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Useful Life (Years)
Customer relationships	$ 811,265	$ (31,973)	$ 779,292	10 - 18
Developed technologies	195,037	(13,195)	181,842	5 - 9
Trade name	73,461	(1,044)	72,417	13 - 15
Contractual backlog	46,027	(24,240)	21,787	1 - 13
Total intangible assets	$ 1,125,790	$ (70,452)	$ 1,055,338	

The following table summarizes Other intangible assets, net for the Predecessor period ended January 3, 2025:

(In thousands)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	$ 1,337	$ (596)	$ 741
Total intangible assets	$ 1,337	$ (596)	$ 741

Intangible assets are generally amortized on a straight-line basis over their estimated useful lives with the exception of the contractual backlog intangible asset, which is amortized over the revenue-proportional method. Amortization expense related to definite-lived intangible assets was $69,323 thousand, $59 thousand and $102 thousand for the Successor period ended January 2, 2026, Predecessor period ended March 28, 2025 and Predecessor fiscal year ended January 3, 2025, respectively.

Estimated amortization expense for each of the next five fiscal years is as follows:

	(In thousands)
2026	$ 119,848
2027	108,920
2028	104,926
2029	104,856
2030	100,854
Thereafter	502,726
	$ 1,042,130

NOTE 5: RECEIVABLES

At January 2, 2026, the allowance for credit losses was $2,609 thousand. Activity within the allowance for credit losses was as follows for the Successor and Predecessor periods ended:

(In thousands)	Successor Period Ended January 2, 2026	Predecessor Period Ended March 28, 2025	Predecessor Period Ended January 3, 2025
Balance, beginning of period	$ —	$ 7,039	$ 7,788
Provision for expected credit losses	2,523	1,404	2,364
Write-downs of expected credit losses	—	(594)	(2,518)
Other	86	3	(595)
Balance, end of period	$ 2,609	$ 7,852	$ 7,039

NOTE 6: CONTRACT ASSETS AND LIABILITIES

Contract assets include unbilled amounts arising when revenue recognized exceeds amounts billed to customers, such when contract terms require specific milestones to be met before the customer can be billed. Contract assets typically arise when revenue associated with a customer contract is recognized prior to billing and are derecognized when associated amounts are billed in accordance with the terms of the contract. Contract liabilities are recorded when customers remit contractual cash payments before we have satisfied associated performance obligations under the contract, including those with performance obligations satisfied over time. Contract liabilities are derecognized when revenue is recorded. We classify contract balances as assets or liabilities on a contract-by-contract basis as of the end of each reporting period.

Contract assets and contract liabilities are summarized below:

(In thousands)	**January 2, 2026**	**January 3, 2025**
Contract assets	$ 36,298	$ 37,430
Contract liabilities, current	(49,675)	(46,508)
Contract liabilities, non-current[(1)]	(4,571)	(1,746)
	$ (17,948)	$ (10,824)

[(1)] The non-current portion of contract liabilities is included in the "Other long-term liabilities" line item in our Consolidated (Successor) and Combined (Predecessor) Balance Sheet.

Revenue recognized during the Predecessor period ending March 28, 2025 that was included in the contract liabilities balance at the beginning of fiscal 2025 was $11,640 thousand. Revenue recognized during the Successor period ended January 2, 2026 that was included in the contract liabilities balance at the Predecessor period or acquired during the period was $30,019 thousand. We expect substantially all of the contract liabilities as of January 2, 2026 will be recognized as revenue during the subsequent 12 months.

NOTE 7: INVENTORIES

Inventories are stated at the lower of cost or net realizable value. The accounting policies related to inventory valuation and obsolescence reserves are described in *Note 1: Significant Accounting Policies*. The following table presents the components of inventories by major classification as of:

(In thousands)	**Successor January 2, 2026**	**Predecessor January 3, 2025**
Raw materials	$ 138,574	$ 108,125
Work in process	57,050	19,589
Finished goods	34,751	20,555
	$ 230,375	$ 148,269

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment, net are summarized below:

(In thousands)	Successor January 2, 2026	Predecessor January 3, 2025	Depreciable Life (Years)
Land	$ 10,630	$ 306	N/A
Buildings	8,546	5,460	2 - 45
Machinery and equipment	91,268	80,557	5 - 25
Construction in progress	5,534	371	N/A
Total Cost	115,978	86,694	
Accumulated depreciation	(9,051)	(53,376)	
Property, plant and equipment, net	$ 106,927	$ 33,318	

Depreciation expense was $4,928 thousand, $1,241 thousand and $5,107 thousand and is included in the "Cost of revenue" and "Selling, general and administrative expenses" line items in our Consolidated (Successor) and Combined (Predecessor) Statement of Operations for the Successor period ended January 2, 2026, Predecessor period ended March 28, 2025 and Predecessor fiscal year ended January 3, 2025, respectively. There were no material impairments, disposals or capitalized interest recorded during the periods presented.

NOTE 9: CAPITALIZED SOFTWARE

Capitalized computer software costs, included within other "Other non-current assets" line on the Consolidated (Successor) and Combined (Predecessor) Balance Sheets, were as follows:

(In thousands)	Successor January 2, 2026	Predecessor January 3, 2025
Capitalized software costs	$ 19,064	$ 29,018
Accumulated amortization	(1,672)	(16,930)
Unamortized capitalized software costs	$ 17,392	$ 12,088

Amortization expense related to capitalized computer software was $1,665 thousand, $504 thousand and $2,284 thousand for the Successor period ended January 2, 2026, Predecessor period ended March 28, 2025 and Predecessor fiscal year ended January 3, 2025, respectively, and was recorded within the "Selling, general and administrative expenses" line item in our Consolidated (Successor) and Combined (Predecessor) Statement of Operations.

NOTE 10: CREDIT ARRANGEMENTS AND DEBT

Long-term debt is as follows:

(In thousands)	Successor January 2, 2026	Predecessor January 3, 2025
Term loan	$ 1,227,100	$ —
Revolver	44,000	—
Total debt	1,271,100	—
Less: Unamortized debt issuance costs	(8,939)	—
Total debt, net	1,262,161	—
Less: current portion of long-term debt, net of unamortized debt issuance costs	(9,290)	—
Long-term debt, net	$ 1,252,871	$ —

On March 28, 2025, the Company entered into a First Lien Credit Agreement ("Credit Agreement") that consisted of a $530 million Term Loan Facility ("Initial Term Loan"), $100 million Delayed Draw Term Loan Facility ("Initial DDTL") and a $125 million Revolving Credit Facility ("Initial Revolver").

On October 25, 2025, the Company entered into Amendment No. 1 to the Credit Agreement ("Amendment 1") that consisted of a $600 million incremental term loan facility ("Incremental Term Loan"), $250 million delayed draw term loan facility ("Incremental DDTL") and a $125 million incremental revolving credit facility ("Incremental Revolver"). The Initial Term Loan and the Incremental Term Loan are collectively referred to as the (Term Loan). The Initial DDTL and Incremental DDTL are collectively referred to as the (DDTL). The Initial Revolver and Incremental Revolver are collectively referred to as the Revolver.

Borrowings under the Credit Agreement bear interest at our option, at either (i) an adjusted Secured Overnight Financing Rate ("SOFR") of at least 0.75% plus an applicable margin ranging from 4.00% to 4.75% depending on the first lien net leverage ratio or (ii) an Alternative Base Rate ("ABR") plus an applicable margin, in each case as defined in the Credit Agreement.

The Term Loan matures on March 28, 2032. With respect to the Initial Term Loan, commencing with the fiscal quarter ending September 30, 2025, principal payments are payable in quarterly installments equal to 0.25% of the original principal amount, with the balance payable in one final installment at the maturity date. With respect to the Incremental Term Loan, commencing on June 30, 2026, principal payments are payable in quarterly installments equal to 0.25% of the original principal amount, with the balance payable in one final installment at the maturity date. At January 2, 2026, the weighted-average interest rate on the Initial Term Loan was 8.75% and on the Incremental Term Loan was 8.64%.

The Revolver matures on March 28, 2032. The unused portion of the Revolver is subject to a quarterly unused line commitment of 0.50% per annum, subject to stepdowns upon achievement of the specified leverage ratio as defined in the Credit Agreement. The aggregate revolving commitment under the Credit Agreement is $250 million. As of January 2, 2026, the Company had $44 million of borrowings under the Revolver and $4.8 million of outstanding letters of credit, resulting in remaining revolving availability of $201 million. At January 2, 2026, the interest rate on the $16 million ABR-based borrowing was 10.50%, and the interest rates on the $10 million and $18 million SOFR-based borrowings were 8.75% and 8.61%, respectively. Unused commitment fees on the Revolver totaled $183 thousand for the Successor period ended January 2, 2026, and are included in the "Interest (expense) income, net" line item in our Consolidated (Successor) Statement of Operations.

The undrawn portion of the Initial DDTL and incremental DDTL expires on March 28, 2027 and October 25, 2027, respectively. Once drawn, the DDTL converts into the Term Loan and is subject to the same terms and conditions thereof. The unused portion of the DDTL is subject to a quarterly unused commitment fee of 1.00% per annum. As of January 2, 2026, the Company had $100 million of borrowings under the DDTL. At January 2, 2026, the interest rate on the Initial DDTL was 8.61%.

Subsequent maturities of long-term debt excluding deferred financing costs as of January 2, 2026 are as follows:

	(In thousands)
2026	$ 10,800
2027	12,300
2028	12,300
2029	12,300
2030	12,300
Thereafter	1,211,100
	$ 1,271,100

The Credit Agreement is collateralized by substantially all of our assets and contains certain covenants that require the incurrence of certain financial measures. The financial covenants specify a total net leverage ratio of debt to earnings before interest, taxes, depreciation and amortization as defined under the Credit Agreement ("EBITDA"). The Company is in compliance with all financial covenants at January 2, 2026. We are not subject to the excess cash flow covenant for the Successor period ended January 2, 2026.

Debt Issuance Costs

The Company capitalized certain fees associated with the origination of its credit facilities. Debt issuance costs allocated to the Term Loan and the drawn portion of the DDTL are presented in the Consolidated (Successor) Balance Sheet as a direct deduction from the carrying amount of the related debt, and those allocated to the Revolver and the undrawn portion of the DDTL are presented within other long-term assets on the Consolidated (Successor) Balance Sheet. Debt issuance costs related to the Term Loan and the drawn portion of the DDTL are amortized to the "Interest (expense) income, net" line on the Consolidated (Successor) Statement of Operations using the effective interest method over the term of the related debt; debt issuance costs related to the Revolver and the undrawn portion of the DDTL are amortized to the "Interest (expense) income, net" line on the Consolidated (Successor) Statement of Operations on a straight-line basis over the respective commitment period.

Debt issuance costs, net of accumulated amortization related to the Term Loan and drawn portion of the DDTL were $8,939 thousand as of January 2, 2026 and are presented as direct reduction of long-term debt on the Consolidated (Successor) Balance Sheet. Debt issuance costs, net of accumulated amortization related to the Revolver and the undrawn portion of the DDTL were $2,635 thousand as of January 2, 2026 and are presented within non-current assets line on the Consolidated (Successor) Balance Sheet.

Modification of Debt

On October 25, 2025, the Company entered into Amendment No. 1 to the Credit Agreement, which provided Incremental Term Loan, Incremental DDTL and Incremental Revolver. The Company evaluated the amendment at the individual lender level under ASC 470-50. For each existing lender that continued in the syndicate, the change in cash flows was less than 10% and the transaction was accounted for as a debt modification; no lender was legally extinguished from the syndicate. New lenders added under Amendment No. 1 were accounted for as new debt issuances.

As of the Amendment No. 1 closing date, the Company had $7,371 of unamortized debt issuance costs associated with the existing credit facilities. Because the amendment was accounted for as a modification with respect to each continuing lender, none of these unamortized debt issuance costs were written off and they continue to be amortized over the remaining term of the related facilities.

The Company incurred $4,749 thousand of fees in conjunction with Amendment No. 1, consisting of $4,250 thousand of closing fees paid to lenders, $450 thousand of legal fees and $49 thousand of out-of-pocket expenses. Of this amount, $4,598 thousand was capitalized as debt issuance costs (allocated $3,156 thousand to the Term Loan, $689 thousand to the Revolver and $753 thousand to the DDTL) and is being amortized over the remaining term of the related facilities. The remaining $151 thousand, representing third-party fees allocated to existing lenders

under modification accounting, was expensed as a loss on modification of debt in the Consolidated Statement of Operations for the Successor period ended January 2, 2026.

Interest expense included in the "Interest (expense) income, net" line on the Consolidated (Successor) Statement of Operations for the Successor period ended January 2, 2026 was $49,877 thousand, which includes interest on debt, interest on finance leases and amortization of debt issuance costs.

NOTE 11: LEASES

Lease balances and related information presented below for the Predecessor periods were derived from L3Harris's accounting records for the operations that comprise Acron. The Company's leases certain property, equipment and vehicles under non-cancelable operating leases which expire at various dates through 2039. The Company also has various month to month operating leases. The weighted average remaining lease term for operating leases and finance leases is 10 years and 3 years, respectively, as of January 2, 2026. The weighted average remaining lease term for operating leases and finance leases was 11 years and 4 years, respectively, as of January 3, 2025. The weighted average discount rate associated with operating leases and finance leases was 9% and 9%, respectively, as of January 2, 2026. The weighted average discount rate associated with operating leases and finance leases is 3% and 5%, respectively, as of January 3, 2025.

The gross cost and accumulated amortization of finance lease assets were $4,265 thousand and $1,682 thousand, respectively, as of January 2, 2026. The gross cost and accumulated amortization of finance lease assets were $3,676 thousand and $440 thousand, respectively, as of January 3, 2025. The amortization of finance lease ROU assets was $529 thousand, $190 thousand and $440 thousand, respectively, for the Successor period ended January 2, 2026, Predecessor period ended March 28, 2025 and Predecessor fiscal year ended January 3, 2025 and was recorded in selling, general and administrative expense on the Consolidated (Successor) and Combined (Predecessor) Statement of Operations.

The Company has cash flows included in the measurement of lease liabilities as follows:

(In thousands)	Successor Period Ended January 2, 2026	Predecessor Period Ended March 28, 2025	Predecessor Period Ended January 3, 2025
Cash paid for amounts included in the measurements of operating lease liabilities	$ 5,898	$ 2,214	$ 8,896
Cash paid for amounts included in the measurements of finance lease liabilities	$ 581	$ 218	$ 594

At January 2, 2026, future minimum rental payments required under the lease agreements are as follows:

(In thousands)	Operating Lease	Financing Lease	Total
2026	$ 8,719	$ 783	$ 9,502
2027	8,119	797	8,916
2028	6,980	805	7,785
2029	5,112	334	5,446
2030	4,558	—	4,558
Thereafter	29,320	9	29,329
Total lease payments	62,808	2,728	65,536
Less: interest	(20,659)	(484)	(21,143)
Total lease liabilities	42,149	2,244	44,393
Less: current portion	(5,885)	(584)	(6,469)
Long-term lease liabilities	$ 36,264	$ 1,660	$ 37,924

The above table excludes $4,732 thousand of future payments related to a long-term lease agreement that is signed as of January 2, 2026, but will not commence until 2028.

NOTE 12: RETIREMENT BENEFITS

Certain Acron employees participate in defined benefit pension plans sponsored by L3Harris during the Predecessor periods that provide retirement benefits to certain eligible employees. Other than the defined benefit pension plan of ACSS, which is a frozen plan to new entrants, the Company has accounted for its participation in plans sponsored by L3Harris under a multiemployer approach and allocated a portion of periodic benefit expense to the Company. During the Predecessor fiscal year ended January 3, 2025, the allocated expense was not material as the majority of these plans were frozen.

During the Successor Period, the Company has accounted for the defined benefit pension plan of ACSS as if it were the plan sponsor. In connection with the March 2025 transaction in which an affiliate of TJC acquired Acron from L3Harris, assets, including a portion of which held in a trust of L3Harris, and the applicable pension obligations of this plan were conveyed to Acron. During the Successor period, the assets conveyed from L3Harris were reinvested in equities and fixed income investments as part of a liability-driven investments strategy for the overfunded, frozen ACSS defined benefit pension plan.

Accordingly, the balances presented below reflect those related to the ACSS pension plan:

(In thousands)	Successor Period Ended January 2, 2026	Predecessor Period Ended March 28, 2025	Predecessor Period Ended January 3, 2025
Change in accrued benefit obligations:			
Accrued benefit obligations, beginning of period	$ 49,312	$ 47,701	$ 50,900
Service cost	4	35	91
Interest cost	1,807	612	2,406
Administrative expenses	—	—	(125)
Benefits paid	(2,009)	(631)	(2,468)
Actuarial (gain) loss	336	1,595	(3,103)
Accrued benefit obligations, end of period	49,450	49,312	47,701
Change in plan assets:			
Fair value of plan assets, beginning of period	58,517	58,826	57,279
Actuarial return on plan assets	5,774	320	4,141
Benefits paid	(2,009)	(631)	(2,468)
Administrative expenses	—	—	(125)
Fair value of plan assets, end of period	62,282	58,515	58,827
Funded status	$ 12,832	$ 9,203	$ 11,126

The components of AOCI related to the ACSS pension plan were as follows:

(In thousands)	Successor Period Ended January 2, 2026	Predecessor Period Ended March 28, 2025	Predecessor Period Ended January 3, 2025
Net actuarial (gain) loss	$ (2,270)	$ 2,308	$ (9,745)
Prior service (cost) credit	—	—	(1,659)
Total recognized in AOCI before tax	$ (2,270)	$ 2,308	$ (11,404)

During the Predecessor periods, actuarial gains and losses and prior service costs were deferred in AOCI and amortized to net periodic benefit cost over the average remaining service period of active participants, or over the remaining life expectancy of inactive participants if substantially all plan participants are inactive, consistent with L3Harris's policy. The amounts of deferred AOCI balance as of March 28, 2025 was eliminated as part of the acquisition of Acron Aviation business from L3Harris. During the Successor period, actuarial gains and losses are deferred in AOCI and amortized to net periodic benefit cost over the average remaining service period of active participants, or over the remaining life expectancy of inactive participants if substantially all plan participants are inactive.

Of the amount included in AOCI as of January 2, 2026, the Company does not anticipate that any amount will be recognized as part of the net periodic benefit over the next fiscal year.

The components of net periodic (benefit) cost recognized in the Consolidated (Successor) and Combined (Predecessor) Statements of Operations are summarized as follows:

(In thousands)	Successor Period Ended January 2, 2026	Predecessor Period Ended March 28, 2025	Predecessor Period Ended January 3, 2025
Service cost	$ 4	$ 35	$ 91
Interest cost	1,807	612	2,406
Expected return on plan assets	(3,169)	(1,138)	(4,475)
Unrecognized prior service cost	—	—	(478)
Unrecognized net actuarial gain	—	—	(186)
Amortization of prior service cost / (credit)	—	(119)	—
Settlement of (gain) / loss	—	(7,438)	—
Settlement of prior service cost / (credit)	—	(1,540)	—
Total net periodic (benefit) cost	$ (1,358)	$ (9,588)	$ (2,642)
Other changes in OCI			
Net (gain) / loss	$ (2,270)	$ 2,308	$ —
Settlement of net gain / (loss)	—	7,438	—
Amortization of prior service cost / (credit)	—	119	—
Settlement of prior service cost / (credit)	—	1,541	—
Total recognized in net periodic (benefit) cost and OCI	$ (3,628)	$ 1,818	$ (2,642)

Service cost is recorded in cost of revenue in the Consolidated (Successor) and Combined (Predecessor) Statements of Operations. All other components of net periodic benefit cost (income) are reported in non-operating income in the Consolidated (Successor) and Combined (Predecessor) Statements of Operations. During the

Predecessor period ended March 28, 2025, a settlement gain was recognized from the transfer of the plan assets and liabilities from L3Harris to a stand alone plan under Acron Technologies LLC. The settlement gain was recognized in the Non-operating income line of the Combined (Predecessor) Statement of Operations.

The following assumptions were used to determine the net pension (cost) benefit:

	Successor Period Ended January 2, 2026	Predecessor Period Ended March 28, 2025	Predecessor Period Ended January 3, 2025
Discount rate for benefit obligation	5.38 %	5.38 %	4.97 %
Discount rate for service cost	5.37 %	5.56 %	4.96 %
Discount rate for interest cost	4.99 %	5.28 %	4.85 %
Rate of compensation increase	3.00 %	3.00 %	3.00 %
Expected rate of return on plan assets	7.50 %	7.50 %	7.50 %
Interest crediting rate	4.50 %	4.50 %	4.50 %

During the Predecessor periods, plan assets related to the ACSS pension plan were held in a master trust by L3Harris and invested to provide for current and future benefit payments. The investment objective was to achieve a long-term rate of return that, together with employer contributions, would be sufficient to meet projected obligations as they come due. During the Successor period, asset allocations were amended to invest assets across a portfolio of equities and fixed income investments as part of a liability-driven investment strategy given the over funded status of the frozen defined benefit plan.

The following table presents the actual asset allocations for the ACSS defined benefit plan:

(In thousands)	Successor January 2, 2026	Predecessor January 3, 2025
Investments		
Common collective trusts	$ —	$ 12,692
Common and preferred stocks	13,096	11,483
Corporate debt	49,186	12,359
U.S. Government securities	—	4,701
Partnerships/joint ventures	—	10,852
Hedge funds	—	2,331
Registered investment companies	—	190
Other	—	3,155
Total investments	62,282	57,763
Accrued income, cash and net unsettled trades		
Cash	—	258
Accrued income	—	277
Receivable for unsettled trades	—	648
Other payables	—	(10)
Payable for unsettled trades	—	(109)
Accrued income, cash and net unsettled trades	—	1,064
Fair value of plan assets	$ 62,282	$ 58,827

Plan assets are valued at fair value in accordance with ASC 820. Equity and fixed-income investments are classified as Level 1 or Level 2 inputs. Hedge fund investments are valued using net asset value ("NAV") as a practical expedient.

Following is a description of the valuation methodologies used for assets measured at fair value:

Domestic and international equity: Domestic and international equity includes common and preferred stocks, domestic listed and foreign listed equity securities, unit trust equities, stapled securities, open-ended and closed-ended mutual funds, exchange-traded funds (registered investment companies), and these are generally valued at the closing price reported on the major market on which the individual securities are traded at the measurement date.

REITs: Real Estate Investment Trusts (REITs) consist of securities that trade on the major exchanges and invest directly in real estate, either through properties or mortgages.

Fixed income investments: Fixed income investments include U.S. Government securities, corporate bonds, corporate convertible bonds, asset-backed securities, bank loans, government mortgage backed securities, non-government backed collateralized mortgage obligations and municipal obligations, which are generally valued using pricing models that use verifiable, observable market data such as interest rates, benchmark yield, and bids provided by brokers or dealers, or quoted prices of securities with similar characteristics.

Partnerships/joint ventures: Limited partnership funds include buy-out (developing companies), mezzanine (funds providing mezzanine loans to companies), venture capital (start-up companies), distressed asset (distressed companies undergoing bankruptcies, etc.), commodities (businesses in commodity related sectors), real estate (residential, commercial, and industrial real estate), international equity and venture capital, and are typically limited partnership investment structures and/or joint ventures. Limited partnership valuations are based on the valuation of the underlying investments, which include inputs such as cost, operating results, discounted future cash flows and market-based comparable data. Net asset value (NAV) is used as a practical expedient to estimate fair value.

Hedge Funds: Hedge funds include equity long/short, event driven, multi-strategy, real estate and fund of funds, and are typically limited partnership investment structures. Limited partnership interests in hedge funds are primarily valued using a market approach based on net asset value (NAV) calculated by the funds and are not publicly available. NAV is used as a practical expedient to estimate fair value.

Common collective trusts: Common collective trusts (CCTs) are valued at NAV and are arrangements in which the funds of individual trusts are pooled to avail themselves of professional investment management and achieve greater diversification of investment, stability of income, or other investment objectives. CCTs are reported at NAV, as of the measurement date. NAV is used as a practical expedient to estimate fair value.

The following table sets forth by level within the fair value hierarchy, a summary of the pension plan investments measured at fair value on a recurring basis at January 2, 2026:

(In thousands)	Level 1	Level 2	Level 3	Investments measured at net asset value	Total
Domestic equity	$ 9,121	$ —	$ —	$ —	$ 9,121
International equity	3,975	—	—	—	3,975
Fixed income investments	49,186	—	—	—	49,186
					$ 62,282

The following table sets forth by level within the fair value hierarchy, a summary of the pension plan investments measured at fair value on a recurring basis at January 3, 2025:

(In thousands)	Level 1	Level 2	Level 3	Investments measured at net asset value	Total
Domestic equity	$ 6,464	$ —	$ —	$ —	$ 6,464
International equity	6,436	—	—	—	6,436
REITs	1,341	—	—	—	1,341
Fixed income investments	—	17,340	307	—	17,647
Partnerships / joint ventures	—	—	—	10,852	10,852
Hedge funds	—	—	—	2,331	2,331
Common collective trusts	—	—	—	12,692	12,692
					57,763
Accrued income, cash, and net unsettled trades					1,064
Total Assets					$ 58,827

The following table summarizes Acron's benefit payments under the ACSS plan:

(In thousands)	Successor Period Ended January 2, 2026	Predecessor Period Ended March 28, 2025	Predecessor Fiscal Year Ended January 3, 2025
Benefits paid	$ 2,009	$ 631	$ 2,468

The Company does not expect to contribute to its defined benefit pension plans in 2026.

The following table summarizes expected future benefit payments under the defined benefit plan as of January 2, 2026:

	(In thousands)
2026	$ 3,140
2027	3,190
2028	3,360
2029	3,420
2030	3,460
2031-2035	17,790
Total	$ 34,360

NOTE 13: INCOME TAXES

Income (loss) before income taxes for the Successor period ended January 2, 2026 and Predecessor periods ended March 28, 2025 and January 3, 2025 consists of the following:

(In thousands)	Successor Period Ended January 2, 2026	Predecessor Period Ended March 28, 2025	Predecessor Period Ended January 3, 2025
Domestic	$ (59,899)	$ 23,786	$ 102,302
Foreign	(26,673)	(1,554)	6,719
Total	$ (86,572)	$ 22,232	$ 109,021

Income tax expense (benefit) consists of the following:

(In thousands)	Successor Period Ended January 2, 2026	Predecessor Period Ended March 28, 2025	Predecessor Period Ended January 3, 2025
Current Taxes:			
Federal income tax	$ 2,140	$ 1,392	$ 24,972
State income tax	1,283	238	2,994
Foreign income tax	1,382	(9)	269
Total current taxes	4,805	1,621	28,235
Deferred Taxes:			
Federal income tax	(18,604)	3,515	(6,236)
State income tax	(1,986)	(1,386)	(556)
Foreign income tax	(2,255)	(381)	(844)
Total deferred taxes	(22,845)	1,748	(7,636)
Income tax (benefit) expense	$ (18,040)	$ 3,369	$ 20,599

Income tax expense attributable to income (loss) before income taxes differed from the amount computed by applying the statutory jurisdictional income tax rate to income before income (loss) taxes as a result of the following, reflecting the adoption of ASU 2023-09:

	Successor Period Ended January 2, 2026		Predecessor Period Ended March 28, 2025	
	Amount	% of Rate	Amount	% of Rate
Income tax at the statutory federal rate	$ (18,180)	21.0 %	$ 4,669	21.0 %
Increase (decrease) resulting from:				
State income taxes, net of federal benefit [1]	(980)	1.1 %	(1,198)	(5.4)%
Foreign income tax effects				
United Kingdom:				
Statutory rate differences	(2,976)	3.4 %	—	— %
Valuation allowance	6,120	(7.1)%	271	1.2 %
Other	1,988	(2.3)%	(13)	(0.1)%
Thailand:				
Return-to-provision true-up	—	— %	(355)	(1.6)%
Other	(373)	0.4 %	(7)	— %
Other foreign income tax and taxes withheld at source	(39)	0.1 %	(20)	— %
Effects of cross-border tax laws:				
Foreign-derived intangible income	(943)	1.1 %	(159)	(0.7)%
Global Intangible Low Taxed Income	973	(1.1)%	158	0.7 %
Effects of foreign entity classification	(3,424)	4.0 %	225	1.0 %
Tax credits				
Research & development credits	(583)	0.7 %	(143)	(0.6)%
Nontaxable or nondeductible items				
Noncontrolling interest	(229)	0.3 %	—	— %
Nondeductible transaction costs	759	(0.9)%	—	— %
Other	(262)	0.3 %	14	— %
Other items	109	(0.1)%	(73)	(0.3)%
Effective income tax provision and rate	$ (18,040)	20.9 %	$ 3,369	15.2 %

(1) State taxes in Arizona, Florida, Maryland and Virginia made up the majority (greater than 50%) of the tax effect in this category.

Income tax expense attributable to income before income taxes differed from the amount computed by applying the statutory jurisdictional income tax rate to income before income taxes as a result of the following, prior to the adoption of ASU 2023-09:

	Predecessor Period Ended January 3, 2025	
	Amount	% of Rate
Income tax at the statutory federal rate	$ 22,896	21 %
Increase (decrease) resulting from:		
State income taxes, net of federal benefit	1,810	2 %
Valuation allowance	(2,415)	(2)%
Foreign-derived intangible income	(3,335)	(3)%
Effect of rates different than statutory	1,080	1 %
Global Intangible Low-Taxed Income	588	1 %
Other items	(25)	— %
Income tax provision	$ 20,599	20 %

The tax effects of temporary differences that give rise to significant portions of deferred tax assets and deferred tax liabilities are as follows:

(In thousands)	Successor Period Ended January 2, 2026	Predecessor Period Ended January 3, 2025
Deferred tax assets:		
Net operating loss carryforward	$ 42,539	$ 29,544
Lease liabilities	10,647	13,066
Allowance for doubtful accounts	1,997	2,933
Warranty reserve	722	858
Inventory reserve	2,523	2,210
Sec. 263(a) UNICAP	2,487	749
Deferred revenue	—	1,838
Accrued compensation	1,795	870
Other accrued expenses	1,602	2,303
Fixed assets	—	1,445
Interest limitation	20,184	—
Credits	1,822	—
Other	1,449	802
Deferred tax assets	87,767	56,618
Valuation allowance	(24,049)	(39,428)
Deferred tax assets, net	63,718	17,190
Deferred tax liabilities:		
Right-of-use assets	(10,395)	(3,863)
Intangible assets	(138,278)	—
Fixed assets	(11,012)	—
Foreign unremitted earnings	(59)	—
Prepaids	(469)	—
Investment in partnership	(552)	(38,326)
Deferred tax liabilities	(160,765)	(42,189)
Net deferred tax assets (liabilities)	$ (97,047)	$ (24,999)

At January 2, 2026, the Company has gross Federal net operating loss (“NOL”) carryforwards of approximately $42,841 thousand and tax effected State NOL carryforwards of approximately $2,468 thousand. The Federal NOLs and the majority of the State NOLs have an indefinite carryforward period.

The Company has gross foreign NOL carryforwards at January 2, 2026 of $125,328 thousand and $6,646 thousand for its subsidiaries in the United Kingdom ("UK") and Thailand ("TH"), respectively. The NOL carryforwards in the UK will carryforward indefinitely and the Thailand NOL carryforwards have a 5-year carryforward period.

Deferred income taxes reflect the temporary differences between assets and liabilities recognized for financial reporting purposes and such amounts recognized for income tax reporting purposes. Realization of deferred tax assets is dependent on future earnings, when applicable, as well as the expected reversal of existing deferred tax attributes. We regularly assess the need for a valuation allowance to fully offset our deferred tax assets by considering both positive and negative evidence to determine whether it is more likely than not that some of or all of the deferred tax assets will not be realized.

Based upon a reversal of the Company's deferred tax liabilities, management believes that it is more likely than not that the full balance of domestic deferred tax assets will be realizable in future periods. Therefore, no valuation allowance has been recorded against our domestic deferred tax assets. We have determined that a valuation allowance is required against foreign deferred tax assets of $24,049 thousand that are not more likely than not to be realized.

We intend to indefinitely reinvest the undistributed earnings of our foreign subsidiaries under the ACR, Avionics and Training segments to support operations, capital expenditures and strategic growth initiatives outside the United States. Accordingly, no deferred income taxes have been recognized on the outside basis differences associated with these foreign investments or on the undistributed earnings of these subsidiaries, to the extent such earnings are considered indefinitely reinvested, as provided under ASC 740. As of January 2, 2026, the determination of the amount of unrecognized deferred tax liability related to the outside basis difference is not practical to determine.

We regularly evaluate our cash requirements and the continued appropriateness of its indefinite reinvestment assertion. Should circumstances change such that we determine that all or a portion of these earnings will no longer be indefinitely reinvested, we would recognize the applicable deferred tax effects in the period the assertion changes.

We have not asserted indefinite reinvestment of the undistributed earnings of our Trakka foreign subsidiaries in Sweden and Australia. Accordingly, we have recorded deferred income taxes for the tax effects associated with the expected future repatriation of such earnings and other outside basis differences in foreign subsidiaries, as required by ASC 740. As of January 2, 2026, the related deferred tax liability of approximately $59 thousand has been recognized in the accompanying Consolidated (Successor) Balance Sheets.

The Company is subject to U.S federal income tax, foreign income tax, and various state jurisdictions. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. We have considered whether there are any uncertain tax positions which would result in exposure of additional tax liabilities and have determined that none exist as of January 2, 2026. It is the Company's policy to record penalties and interest related to uncertain tax positions as a component of income tax expense. We have not recorded any interest as of January 2, 2026.

We are potentially subject to income tax audits in numerous jurisdictions until the applicable statute of limitations expires. The following is a summary of tax years potentially subject to examination in the significant jurisdictions in which we operate:

Jurisdiction	Tax years subject to examination
United States (Federal)	2022 - 2025
United States (State)	2022 - 2025
Foreign (Various)	2020 - 2025

On July 4, 2025, the reconciliation bill H.R.1, commonly referred to as the One Big Beautiful Bill Act ("OBBBA") was signed into law, which includes a broad range of tax reform provisions that may affect the Company's financial results. The OBBBA allows for the addback of tax depreciation and amortization when computing interest limitations under Section 163(j), a reinstatement of elective 100% first-year bonus depreciation, and a more favorable tax rate on Foreign-derived Deduction Eligible Income and income from non-U.S. subsidiaries (Net CFC Tested Income), among other provisions. We incorporated the law change into the tax provision during the year.

Income taxes paid, net of refunds received during the fiscal year ended January 2, 2026 were as follows:

(In thousands)	Fiscal year ended January 2, 2026
United States Federal	$ 3,600
United States State and Local	200
International:	
Canada	649
Netherlands	1,355
UK	404
Total income taxes paid, net of refunds	$ 6,208

NOTE 14: ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Changes in the components of accumulated other comprehensive income (loss) ("AOCI"), net of tax were as follows:

(In thousands)	Successor January 2, 2026	Predecessor March 28, 2025	Predecessor January 3, 2025
Balance at beginning of period	$ —	$ (582,240)	$ (586,673)
Foreign currency translation gain (loss), net of income taxes	17,403	6,288	677
Net unrealized gains (losses) on postretirement obligations, net of tax	1,907	(142)	3,756
Reclassification adjustments for (gain) loss included in net income	—	(6,936)	—
Balance at ending of period	$ 19,310	$ (583,030)	$ (582,240)

NOTE 15: BUSINESS SEGMENTS

During the Predecessor periods ended January 3, 2025 and March 28, 2025, the Company operated through two reportable segments: Avionics and Training. During the Successor period ended January 2, 2026, we operated through three reportable segments: Avionics, Training and ACR. Avionics and Training were the same reportable segments as the Predecessor periods and ACR was an incremental reportable segment following the acquisition of ACR on November 6, 2025.

These segments reflect the way our Chief Executive Officer, the Company's Chief Operating Decision Maker ("CODM"), manages the business, evaluates operating performance and allocates resources. Each segment has distinct products, services and operating results that are regularly reviewed by the CODM. The CODM uses EBITDA to evaluate the actual financial performance of each operating segment against budgets and to allocate resources for relevant business decisions, including investments in products and services, acquisitions or divestitures and capital expenditures.

Avionics Segment

The Avionics segment develops, produces and supports a broad portfolio of advanced aviation systems used in commercial and defense applications. Product offerings include surveillance systems, data recorders, cockpit displays, navigation and collision-avoidance systems, data analytics platforms, and related aftermarket services. The segment is managed through a dedicated leadership structure, and its financial results are reviewed independently by the CODM. Customers include aircraft manufacturers, airlines, defense contractors, and maintenance providers, with sales occurring through both original equipment and aftermarket channels.

Training Segment

The Training segment provides integrated aviation training solutions through two complementary business areas:

- Training Systems – Designs and manufactures full-flight simulators, fixed-base training devices, and related training hardware and software.
- Training Services – Provides pilot and crew training, flight data analysis, and other services through a network of commercial and corporate aviation training centers.

The combined Training Systems and Training Services operations support a full lifecycle offering, as customers that purchase simulators frequently engage the Company for training services, long-term maintenance and parts support. See *Note 18: Subsequent Events* for additional information related to the Company's intent to divest the Training segment.

ACR Segment

ACR develops safety, rescue, and satellite-based communications technologies, serving aviation, defense, marine, and outdoor markets. ACR designs and manufactures a broad range of mission-critical products—including emergency locator transmitters ("ELTs"), flight data and cockpit voice recorders, radar altimeters, ADS-B and GPS navigation systems, and Iridium-based satellite tracking and communication equipment—used by commercial airlines, business aviation, militaries, and government agencies worldwide. ACR delivers integrated solutions that enable aircraft connectivity, flight safety, data acquisition, and distress monitoring. Its offerings extend into data analytics and flight operations optimization to include crash data and predictive safety analysis.

The measure used by the CODM to assess segment performance and to make decisions regarding the allocation of resources is EBITDA, which represents earnings before interest, taxes, depreciation and amortization.

Our segments are reported on the same basis used internally for performance evaluation and resource allocation. Accounting policies used to prepare segment information are consistent with those described in *Note 1: Significant Accounting Policies*. Intersegment sales and transfers are eliminated in consolidation; such activity was immaterial for the periods presented.

Corporate consists of the Company's corporate headquarters, with expenses primarily related to compensation and benefits, professional services and other administrative functions. Corporate assets, which are included within Other, consist primarily of cash and cash equivalents. A modest portion of corporate expenses are allocated to the operating segments, with the remainder reported as unallocated corporate expense.

The following table reconciles revenue by segment to consolidated revenue and segment EBITDA to income (loss) before income taxes:

(In thousands)	Successor January 2, 2026	Predecessor March 28, 2025	Predecessor January 3, 2025
Revenue			
Avionics	$ 295,703	$ 86,058	$ 362,900
Training	143,407	58,526	221,500
ACR	49,424	—	—
	488,534	144,584	584,400
Reconciliation of revenue:			
All other	9,913	—	—
Corporate eliminations	(1,047)	(70)	—
Total consolidated revenue	$ 497,400	$ 144,514	$ 584,400
Income (loss) before income taxes			
Segment EBITDA:			
Avionics	$ 79,552	$ 22,874	$ 116,988
Training	(16,010)	3,060	23,057
ACR	13,208	—	—
	76,750	25,934	140,045
Reconciliation of segment profit (loss):			
All other	1,463	—	—
Unallocated items:			
Corporate expense	(41,076)	(11,629)	(25,770)
Non-operating income	1,588	9,651	2,786
Depreciation and amortization expense	(75,916)	(1,804)	(7,493)
Interest (expense) income, net	(49,381)	80	(547)
Total income (loss) before income taxes	$ (86,572)	$ 22,232	$ 109,021
Supplemental segment expense information			
Avionics:			
Cost of revenue	$ (157,357)	$ (52,493)	$ (175,977)
Other expenses	(58,794)	(10,690)	(67,149)
	$ (216,151)	$ (63,183)	$ (243,126)
Training:			
Cost of revenue	$ (108,441)	$ (44,692)	$ (139,508)
Other expenses	(50,976)	(10,775)	(58,935)
	$ (159,417)	$ (55,467)	$ (198,443)
ACR:			
Cost of revenue	$ (22,784)	$ —	$ —
Other expenses	(13,432)	—	—
	$ (36,216)	$ —	$ —

Other expenses primarily includes selling, general and administrative expenses and research and development expenses.

The following table presents capital expenditures and depreciation and amortization by reportable segment, for Other, including Corporate, and in total for the Company:

(In thousands)	Successor January 2, 2026	Predecessor March 28, 2025	Predecessor January 3, 2025
Capital Expenditures			
Avionics	$ 6,321	$ 1,251	$ 4,380
Training	4,700	240	1,125
ACR	1,670	—	—
Other	26	—	—
Total	$ 12,717	$ 1,491	$ 5,505
Depreciation and Amortization			
Avionics	$ 53,395	$ 743	$ 3,571
Training	9,554	1,060	3,922
ACR	11,687	—	—
Other	1,279	—	—
Total	$ 75,915	$ 1,803	$ 7,493

The following table presents total assets by reportable segment, for Other, including Corporate, and in total for the Company:

(In thousands)	Successor January 2, 2026	Predecessor January 3, 2025
Total Assets		
Avionics	$ 839,718	$ 595,045
Training	301,819	211,019
ACR	990,791	—
Other	128,247	—
Total	$ 2,260,575	$ 806,064

Long-lived assets are attributed to geographic regions based on asset location.

(In thousands)	Successor January 2, 2026	Predecessor January 3, 2025
Long-lived Assets		
United States	$ 107,871	$ 32,523
International	71,874	22,769
Total	$ 179,745	$ 55,292

Disaggregation of Revenue

The following tables present revenue, excluding corporate eliminations, by products and services, by reportable segment, for Other, including Corporate, and in total for the Company:

	Successor Period Ended January 2, 2026				
(In thousands)	Avionics	Training	ACR	Other	Total
Products	$ 215,436	$ 55,271	$ 37,379	$ 9,921	$ 318,007
Services	80,267	88,136	12,045	(8)	180,440
Total	$ 295,703	$ 143,407	$ 49,424	$ 9,913	$ 498,447

	Predecessor Period Ended March 28, 2025			Predecessor Period Ended January 3, 2025		
(In thousands)	Avionics	Training	Total	Avionics	Training	Total
Products	$ 68,354	$ 27,384	$ 95,738	$ 288,066	$ 95,177	$ 383,243
Services	17,704	31,142	48,846	74,834	126,323	201,157
Total	$ 86,058	$ 58,526	$ 144,584	$ 362,900	$ 221,500	$ 584,400

The following table presents revenue, excluding corporate eliminations, by reportable segment, for Other, including Corporate, and in total for the Company broken out by geographic region, which was determined by the location of the end customer or where services were performed:

	Successor Period Ended January 2, 2026				
(In thousands)	Avionics	Training	ACR	Other	Total
United States	$ 192,860	$ 58,142	$ 27,965	$ 2,904	$ 281,870
North America	10,984	117	5,010	218	16,329
South America	4,827	13	3,356	73	8,269
EMEA	66,684	34,666	8,320	4,982	114,653
Asia Pacific	20,348	50,469	4,773	1,736	77,326
Total	$ 295,703	$ 143,407	$ 49,424	$ 9,913	$ 498,447

	Predecessor Period Ended March 28, 2025			Predecessor Period Ended January 3, 2025		
(In thousands)	Avionics	Training	Total	Avionics	Training	Total
United States	$ 54,649	$ 15,679	$ 70,328	$ 233,408	$ 68,852	$ 302,260
North America	2,982	63	3,045	15,281	732	16,013
South America	1,567	6	1,573	6,858	390	7,248
EMEA	20,043	25,804	45,847	72,871	73,075	145,946
Asia Pacific	6,817	16,974	23,791	34,482	$ 78,451	112,933
Total	$ 86,058	$ 58,526	$ 144,584	$ 362,900	$ 221,500	$ 584,400

NOTE 16: RELATED PARTY TRANSACTIONS

Transactions with Related Parties

In the ordinary course of business, the Company entered into transactions with L3Harris during the Predecessor periods that resulted in intercompany receivables and payables, which historically have been cash settled. Intercompany balances among entities included in the Consolidated (Successor) Financial Statements have been eliminated; however, balances between the Company and L3Harris have not been eliminated and are presented on the Combined (Predecessor) Balance Sheet as Due from related parties and Due to related parties. As of January 3, 2025, the Company had $8,591 thousand in Due from related parties and $1,200 in Due to related parties. As of January 2, 2026, the Company did not have any amounts outstanding due to or due from related parties.

The Company relied on L3Harris for risk management, internal audit, payroll processing, and general corporate services. L3Harris charges the Company a management fee for these services, which was $2,716 thousand and $7,049 thousand for the Predecessor period ended March 28, 2025 and Predecessor fiscal year ended January 3, 2025, respectively, based on the actual invoices and corporate service charges billed to the Company. During the Successor period ended January 2, 2026, the Company incurred charges related to various transition services from L3Harris totaling $5,497 thousand. The amounts reported in these Consolidated Financial Statements reflect the invoiced fees for services provided during the periods.

During the Predecessor fiscal year ended January 3, 2025, the Company recognized sales to L3Harris of $5,459 thousand. Cost of revenue related to these transactions totaled $2,865 thousand. The Company recognized sales of $766 thousand to L3Harris during the Predecessor period ended March 28, 2025. L3Harris was not considered a related party during the Successor period ended January 2, 2026.

During the Predecessor period ended March 28, 2025 and the Predecessor fiscal year ended January 3, 2025, the company had transactions with an unrelated investor in ACSS. This investor was not considered a related party during the Successor period ended January 2, 2026. The table below summarizes transactions with this investor during the Predecessor periods and the Predecessor period end balances:

(In thousands)	**Predecessor March 28, 2025**	**Predecessor January 3, 2025**
Revenue	$ 14,286	$ 61,706
Cost of revenue	(9,217)	(32,381)
Accounts receivable, included in the Due from related parties line on the Predecessor (Combined) Balance Sheet	6,044	6,848
Purchases	887	6,153
Accounts payable, included in the Due to related parties line on the Predecessor (Combined) Balance Sheet	2,359	240

During the Successor period ended January 2, 2026, the Company incurred management fees from an affiliate of TJC, L.P. which totaled $2,442 thousand, which were recognized on the selling, general and administrative line item of the Consolidated (Successor) Income Statement. The Company also paid transaction fees related to the Acron Aviation Carve-out on behalf of an affiliate of TJC, L.P. in the amount of $18.1 million, which were recognized on the selling, general and administrative line item of the Consolidated (Successor) Statement of Operations.

NOTE 17: COMMITMENTS AND CONTINGENCIES

Litigation

The Company, from time to time, is involved in various pending or threatened claims, lawsuits, and environmental actions that have arisen in the normal course of business with respect to product liability (involving the Company's current or former products), intellectual property, employment related, and contract and commercial litigation. The Company records liabilities for ongoing litigation and regulatory loss contingencies

when information related to the loss contingencies shows both that it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated.

During the Predecessor periods, legal matters related to the operations that comprise Acron have been managed and administered by L3Harris. Matters that are not specifically attributable to Acron, or for which L3Harris is the legal obligor, are not included in these Consolidated Financial Statements.

As of January 2, 2026 and January 3, 2025, no material liabilities were recorded for any action. It is possible that some matters could require the Company to pay damages or make other expenditures or establish accruals in the amounts that could not be reasonably estimated as of January 2, 2026 and January 3, 2025. Because such matters are subject to inherent uncertainties, and unfavorable rulings or developments could occur, there can be no certainty that the Company will not ultimately incur charges related to these matters. Although considerable uncertainty exists, management does not believe it is reasonably possible that the ultimate disposition of these matters will have a material adverse effect on the Company's results of operations, consolidated financial position or liquidity.

Commitments and Contingencies

Financial guarantees are contingent commitments issued to guarantee the performance of a customer to a third party in borrowing arrangements. The Company has entered into commercial commitments in the normal course of business including surety bonds, standby letters of credit agreements and other arrangements with financial institutions and customers primarily related to the guarantee of future performance on certain contracts to provide products and services to customers and to obtain insurance policies with our insurance carriers.

As of January 2, 2026 and January 3, 2025, respectively, we had outstanding surety bonds in the aggregate amount of $350 thousand and $325 thousand related primarily to customs compliance and state regulatory requirements. These surety bonds are issued in the ordinary course of business and secure our performance of certain statutory and regulatory obligations. We do not expect any material claims to be made under these arrangements.

As of January 2, 2026, we had no outstanding commercial commitments on standby letters of credit. As of January 3, 2025, we had commercial commitments on standby letters of credit of $9,937 thousand. There were no other such financial guarantees and commercial commitments accrued for in our Consolidated (Successor) or Combined (Predecessor) Balance Sheets.

We utilize a third-party contract manufacturer for certain Avionics products. The third-party purchases inventory on behalf of Acron for use in the manufacturing process. The agreement with the third-party manufacturer is a binding agreement that will result in future obligations that are not yet liabilities because the underlying transactions have not occurred yet. As of January 2, 2026, we had a purchase commitment of approximately $8.3 million with this third-party manufacturer to fund future product development.

NOTE 18: SUBSEQUENT EVENTS

We have evaluated subsequent events through July 28, 2026, the date these Consolidated Financial Statements were available to be issued.

In March 2026, the Company approved a plan to divest its Training Segment and determined that the disposal group meets the criteria to be classified as held for sale under ASC 360-10. The Company expects to complete the sale with in the next twelve months, however, any transaction is subject to ongoing negotiations and customary closing conditions. Since the held for sale criteria was met subsequent to the Consolidated (Successor) Balance Sheet date, no adjustments have been made to the accompanying financial statements and the Company is currently evaluating the expected financial impact of the transaction.

After the fiscal year ended January 2, 2026, the Company completed the following acquisitions:

- Alereon, Inc. ("Alereon") - On April 7, 2026, the Company acquired 100% of the outstanding equity interest of Alereon for total consideration of approximately $170 million, subject to customary post-closing adjustments.

- Sightline Intelligence (“Sightline”) - On April 24, 2026, the Company acquired 100% of the outstanding equity interest of Sightline for total consideration of approximately $153.5 million, subject to customary post-closing adjustments.

As these acquisitions occurred after January 2, 2026, the accompanying financial statements do not include the effects of these transactions. The operating results of these acquisitions will be included in the Company’s consolidated financial statements beginning on their respective acquisition dates.

Other than the transactions described above, management has not identified any subsequent events that require adjustment to or additional disclosure in these Consolidated Financial Statements.

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SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

C A S 401 P

EIN 38 1865601
PLAN NUMBER 001
PLAN YEAR 04/01/2025 TO 12/31/2025

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	Dodge and Cox Funds	Registered Investment Company DODGE & COX INTL STOCK X FUND	$ 0.00	$ 62,479.00
	Dodge and Cox Funds	Registered Investment Company DODGE & COX STOCK X FUND	$ 0.00	$ 84,957.80
	INVESCO TRUST COMPANY	Common/Collective Trust INVESCO STABLE VALUE TR CLS B1	$ 0.00	$ 37,947.30
	BlackRock	Registered Investment Company ISHARES MSCI EAFE INT IDX K FD	$ 0.00	$ 313,539.55
	BlackRock	Registered Investment Company ISHARES S&P 500 INDEX K FUND	$ 0.00	$ 597,231.35
	BlackRock	Registered Investment Company ISHS RUSS MD-CP INDEX K FUND	$ 0.00	$ 100,790.77
	BlackRock	Registered Investment Company ISHS RUSS 2000 SC INDEX K FUND	$ 0.00	$ 319,949.42
	BlackRock	Registered Investment Company ISHS US AGG BOND INDEX K FUND	$ 0.00	$ 19,366.81
	JP Morgan Funds	Registered Investment Company JP MORGAN LARGE CAP GR R6 FD	$ 0.00	$ 708,978.58
	PGIM Investments	Registered Investment Company PGIM TOTAL RET BOND R6 FD	$ 0.00	$ 114,846.29
	Schwab Funds	Brokerage Account SELF-DIRECTED BROKERAGE ACCT	$ 0.00	$ 11,045.25
	Vanguard Group	Registered Investment Company VANGUARD TGT RMT INC INV FUND	$ 0.00	$ 64,558.88
	Vanguard Group	Registered Investment Company VANGUARD TGT RMT 2020 INV FUND	$ 0.00	$ 21,597.94
	Vanguard Group	Registered Investment Company VANGUARD TGT RMT 2025 INV FUND	$ 0.00	$ 326,370.04
	Vanguard Group	Registered Investment Company VANGUARD TGT RMT 2030 INV FUND	$ 0.00	$ 646,805.25

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

F051TF

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

C A S 401 P

EIN 38 1865601
PLAN NUMBER 001
PLAN YEAR 04/01/2025 TO 12/31/2025

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	Vanguard Group	Registered Investment Company VANGUARD TGT RMT 2035 INV FUND	$ 0.00	$ 1,482,641.82
	Vanguard Group	Registered Investment Company VANGUARD TGT RMT 2040 INV FUND	$ 0.00	$ 1,589,920.63
	Vanguard Group	Registered Investment Company VANGUARD TGT RMT 2045 INV FUND	$ 0.00	$ 1,726,409.96
	Vanguard Group	Registered Investment Company VANGUARD TGT RMT 2050 INV FUND	$ 0.00	$ 638,234.08
	Vanguard Group	Registered Investment Company VANGUARD TGT RMT 2055 INV FUND	$ 0.00	$ 580,234.21
	Vanguard Group	Registered Investment Company VANGUARD TGT RMT 2060 INV FUND	$ 0.00	$ 417,189.23
	Vanguard Group	Registered Investment Company VANGUARD TGT RMT 2065 INV FUND	$ 0.00	$ 666,674.43
	Vanguard Group	Registered Investment Company VANGUARD TGT RMT 2070 INV FUND	$ 0.00	$ 195,233.15
*	Participant Loans	Range of Interest Rates Rates Range From 8.75% To 9.50%	$ 0.00	$ 134,590.00

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)