

NATIONAL LIFT TRUCK SERVICE OF PR, INC.
(A Corporation)
Balance Sheets
As of December 31, 2024 and 2023

| | 31-Dec-24 | 31-Dec-23 |
|---|----------------------------|----------------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 155,134 | \$ 192,263 |
| Accounts Receivable Trade | 464,323 | 523,728 |
| Inventory | 339,039 | 271,469 |
| Prepaid Taxes | - | 12,639 |
| Prepaid Expenses | 22,859 | 22,859 |
| Total Current Assets | <u>981,355</u> | <u>1,022,958</u> |
| LAND, BUILDING AND EQUIPMENT | | |
| Machinery and Equipment | 857,516 | 906,466 |
| Furniture and Fixtures | 3,500 | 3,500 |
| Motor Vehicles | 66,000 | 66,000 |
| Less: Accumulated Depreciation | (424,794) | (275,356) |
| Land, Building, and Equipment - Net | <u>502,222</u> | <u>700,611</u> |
| Right-of-Use Assets Under Operating Lease, Net | <u>351,595</u> | <u>-</u> |
| TOTAL ASSETS | \$ 1,835,172 | \$ 1,723,569 |
| LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT) | | |
| CURRENT LIABILITIES | | |
| Income Tax Payable | \$ 67,456 | \$ - |
| Accounts Payable | 505,478 | 617,774 |
| Due to Affiliates | - | 13,636 |
| Accrued Expenses | 140,894 | 92,974 |
| Current Portion of Operating Lease Obligation | 115,633 | - |
| Current Portion of Finance Lease Obligation | 16,207 | - |
| Total Current Liabilities | <u>845,668</u> | <u>724,384</u> |
| LONG-TERM DEBT, Less Current Portion | 439,778 | 852,418 |
| OPERATING LEASE OBLIGATIONS, Less Current Portion | 185,793 | - |
| FINANCE LEASE OBLIGATIONS, Less Current Portion | 72,247 | 37,803 |
| Total Long-Term Liabilities | <u>697,818</u> | <u>890,221</u> |
| TOTAL LIABILITIES | <u>1,543,486</u> | <u>1,614,605</u> |
| SHAREHOLDERS' EQUITY | | |
| Common Stock, Par Value \$10 Per Share, Authorized 1,000,000 and 100 Issued and Outstanding | 100 | 100 |
| Retained Earnings | 291,586 | 108,864 |
| Total Shareholders' Equity | <u>291,686</u> | <u>108,964</u> |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | <u>\$ 1,835,172</u> | <u>\$ 1,723,569</u> |

NATIONAL LIFT TRUCK SERVICE OF PR, INC.
(A Corporation)
Statement of Income and Retained Earnings
For The Year Ended December 31, 2024

| | |
|--|-------------------|
| Revenue | \$ 4,541,335 |
| Cost of Revenue | <u>3,897,595</u> |
| Gross Profit | 643,740 |
| General and Administrative Expenses | |
| Advertising | 16,810 |
| Bad Debts | 20,447 |
| Bank Charges | 2,830 |
| Commissions | 12,204 |
| Computer and Internet Expenses | 11,925 |
| Insurances | 11,272 |
| Licenses and Permits | 6,097 |
| Meals and Entertainment | 4,644 |
| Office Expense | 16,200 |
| Professional Services | 56,088 |
| Rent | 150,925 |
| Repair and Maintenance | 3,083 |
| Telephone | 7,157 |
| Travel Expenses | 17,991 |
| Utilities | 2,612 |
| Total General and Administrative Expenses | <u>340,285</u> |
| Income from Operations | 303,455 |
| Other Income and (Expense) | |
| Interest Expense | (66,186) |
| Other Income | 12,909 |
| Total Other Income and Expense | <u>(53,277)</u> |
| Income Before Income Tax Provision | 250,178 |
| Provision for Income Tax Expense (Benefit) | <u>67,456</u> |
| Net Income | 182,722 |
| Change in Retained Earnings - For the Beginning of Year | 108,864 |
| Change in Retained Earnings - For the End of Year | <u>\$ 291,586</u> |

NATIONAL LIFT TRUCK SERVICE OF PR, INC.
(A Corporation)
Statement of Cash Flows
For The Year Ended December 31, 2024

| Cash Flows from Operating Activities | |
|--|----------------------------|
| Net Income | \$ 182,722 |
| Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities | |
| Depreciation and Amortization | 141,599 |
| Bad Debts | 20,447 |
| (Increase) Decrease in Accounts Receivable | 59,405 |
| (Increase) Decrease in Prepaid Taxes | 12,639 |
| (Increase) Decrease in Inventories | (67,570) |
| Increase (Decrease) in Accounts Payable | (112,296) |
| Increase (Decrease) in Accounts Payable-Related Party | (13,636) |
| Increase (Decrease) in Income Taxes Payable | 67,456 |
| Increase (Decrease) in Accrued Expenses and Withholding | <u>47,920</u> |
| Total Adjustments | <u>155,963</u> |
| Net Cash Provided (Used) by Operating Activities | <u><u>\$ 338,686</u></u> |
| Cash Flows from Financing Activities | |
| Repayment of Long-Term Debt | (375,815) |
| Net Cash Provided (Used) by Financing Activities | <u><u>\$ (375,815)</u></u> |
| Net Increase (Decrease) in Cash | (37,129) |
| Cash at Beginning of Year | <u>192,263</u> |
| Cash at End of Year | <u>\$ 155,134</u> |

Supplemental Disclosures

| Noncash Investing and Financing Activities | |
|---|-----------|
| Right of Use Assets Acquisition through Operating Lease | 351,595 |
| Cash Paid During the Year for: | |
| Interest | \$ 66,186 |

NATIONAL LIFT TRUCK SERVICE OF PR, INC.
(A Corporation)
Ratios Schedule
As of December 31, 2024 and 2023

| | December/2024 | December/2023 |
|---|---|-------------------------------|
| SOLVENCY RATIOS | | |
| 1 Current Ratio Current Ratio = <u>Current Assets</u> Current Liabilities | 1.16  981,355.38  845,667.88  | 1.41 1,022,958.00 724,384.00 |
| 2 Quick Ratio Quick Ratio = <u>Cash + Accts Rec + Marketable Securities</u> Current Liabilities | 0.73  619,457.00  845,667.88  | 0.99 715,991.00 724,384.00 |
| SAFETY RATIO | | |
| 3 Debt to Equity Debt to Equity = <u>Total Liabilities</u> Net Tang Equity | 5.29  1,543,485.88  291,686.28  | 14.82 1,614,604.63 108,964.00 |
| PROFITABILITY RATIOS | | |
| 4 Gross Profit Margin Gross Margin = <u>Gross Profit</u> Sales | 14.18%  643,740.28  4,541,335.00  | N/A - - |
| 5 Operating Margin Operating Margin = <u>Operating Profit</u> Sales | 6.68%  303,455.28  4,541,335.00  | N/A - - |
| 6 Net Profit Margin Before Tax Net Profit (A-T) Margin = <u>Net Profit Before Tax</u> Sales | 5.51%  250,178.28  4,541,335.00  | N/A - - |
| 7 Net Profit Margin After Tax Net Profit (A-T) Margin = <u>Net Profit After Tax</u> Sales | 4.02%  182,722.28  4,541,335.00  | N/A - - |
| ASSET MANAGEMENT RATIOS | | |
| 8 Sales to Assets Sales to Assets = <u>Sales</u> Total Assets | 2.47  4,541,335.00  1,835,172.16  | - - 1,723,568.63 |
| 9 Return on Assets (%) ROA% = <u>Net Profit Before Tax</u> Net Tangible Equity | 13.63%  250,178.28  1,835,172.16  | 0.00% - 1,723,568.63 |
| 10 Return on Equity (%) ROI% = <u>Net Profit Before Tax</u> Net Tangible Equity | 85.77%  250,178.28  291,686.28  | 0.00% - 108,964.00 |

NATIONAL LIFT TRUCK SERVICE OF PR, INC.
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As of December 31, 2024 and 2023

| | December/2024 | December/2023 |
|---|-------------------------------------|----------------------|
| 11 Inventory Turnover (x) Inventory T/O = <u>Cost of Goods Sold</u> <u>Inventory</u> | 11.50 3,897,594.72 339,039.38 | - - 271,469.00 |
| 12 Inventory Turnover (days) Inventory days = <u>Sales days</u> <u>Inventory T/O</u> | 31.84 366 11.50 | N/A 365 - |
| 13 Accounts Receivable Turnover (x) Acct Rec T/O = <u>Net Sales</u> <u>Trade Accounts Receivable</u> | 9.78 4,541,335.00 464,323.00 | - - 523,728.00 |
| 14 Collection Period (days) Collection days = <u>Sales Days</u> <u>Acct Rec. Turnover</u> | 37.42 366 9.78 | N/A 365 - |
| 15 Accounts Payable Turnover (x) Acct Payable T/O = <u>Cost of Goods Sold</u> <u>Trade Accounts Payable</u> | 7.71 3,897,594.72 505,478.00 | - - 617,774.00 |
| 16 Accounts Payable (days) Acct Payable days = <u>Sales days</u> <u>Acct Payable Turnover</u> | 47.47 366 7.71 | N/A 365 - |
| 17 Personnel Productivity Personnel Productivity = <u>Personnel Expenses</u> <u>Gross Profit</u> | 72.21% 464,866.76 643,740.28 | N/A - - |
| 18 Gross Margin Return on Inventory Gross Margin Return on Inventory = <u>Gross Profit</u> <u>Inventory</u> | 1.90 643,740.28 339,039.38 | - - 271,469.00 |
| 19 Interest Coverage Interest Coverage = <u>EBIT</u> <u>Interest Expenses</u> | 3.78 250,178.28 66,186.00 | N/A - - |

LEADING FINANCIAL INDICATORS

| | | |
|--|--|--------------------------|
| Variable Cost % of Sales Variable Costs as % of Sales = <u>Variable Costs</u> <u>Net Sales</u> | 53.60% 2,434,309.83 4,541,335.00 | N/A (162,396.85) - |
| Contribution Margin (%) Contribution Margin = <u>(Net Sales - Variable Costs)</u> <u>Net Sales</u> | 46.40% 2,107,025.17 4,541,335.00 | N/A 162,396.85 - |

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| | December/2024 | December/2023 |
|--|---------------|---------------|
| Break-even as % of Net Sales | 1,470,180.67 | N/A |
| Break-even Sales = <u>Fixed Costs (Incl Interest & Other)</u> | 682,113.89 | 162,396.85 |
| Contribution Margin | 46.40% | N/A |
| % Break-even Sales | 32.37% | N/A |
| % Break-even Sales = <u>Break-even Sales</u> | 1,470,180.67 | N/A |
| Net Sales | 4,541,335.00 | - |
| Sustainable Growth - Current D/E | 113.47% | N/A |
| Net Profit Margin (B-T) % * (1 + Current (Debt/equity)) | 21.48% | N/A |
| (Assets/Sales - [Net Profit Margin (B-T)% * (1+ Cur (Debt/Equity))]) | 18.93% | N/A |
| Sustainable Growth - No New Debt | 0.34 | N/A |
| Net Profit Margin (B-T) % | 5.51% | N/A |
| (Assets - Cur Liabilities)/Sales - Net Profit Mgn (B-T)% | 0.16 | N/A |
| Z-Score (Bankruptcy Indicator) | 3.47 | 0.34 |
| Z-Score (bankruptcy Indicator) = | | |
| Work Capital to Total Assets * 1.2 | 0.09 | 0.21 |
| + Retained Earnings to Total Assets * 1.4 | 0.22 | 0.09 |
| +Earnings Before Taxes & Interest to Total Assets * 3.3 | 0.57 | - |
| +Tangible Equity to Total Liabilities * 0.6 | 0.11 | 0.04 |
| + Net Sales to Total Assets * 0.999 | 2.47 | - |
| Retained Earnings to Total Assets | 0.16 | 0.06 |
| Ret Earnings to Tot Assets = <u>Retained Earnings</u> | 291,586.28 | 108,864.00 |
| Total Assets | 1,835,172.16 | 1,723,568.63 |
| Working Capital to Total Assets | 0.07 | 0.17 |
| Working Cap to Total Assets = <u>Working Capital</u> | 135,687.50 | 298,574.00 |
| Total Assets | 1,835,172.16 | 1,723,568.63 |
| EBITDA | 250,178.28 | - |
| EBITDA = (Earnings Before Interest & Tax +Depr and Amort) | | |

Finance Lease Obligation Consist of:

12/31/2024

| | |
|--|-------------------------|
| 8.50% payable to Popular Auto Leasing (Popular Auto, LLC) in 60 installments of \$555.57 including principal and interest. This loan is guaranteed with a Ford Transit (Modelo 2023/2024) Contrato U 61798 (Identificador Interno: Van 2). Maturity on March 2024. | 44,227 |
| 8.25% payable to Popular Auto Leasing (Popular Auto, LLC) in 60 installments of \$954.21 including principal and interest. This loan is guaranteed with a Ford Transit (Modelo 2024) Contrato U 61797 (Identificador Interno: Van 4). Maturity on August 2029. | <u>44,227</u> |
| | \$ 88,454 |
| Less Current Portion | <u>16,207</u> |
| LONG TERM PORTION | <u>\$ 72,247</u> |

The following is a schedule showing the future minimum lease payments by period under financial lease obligation for the period ending December 31,2024

| | |
|---|-------------------------|
| December 31, 2025 | \$ 22,901 |
| December 31, 2026 | 22,901 |
| December 31, 2027 | 22,901 |
| December 31, 2028 | 22,901 |
| December 31, 2029 | 15,267 |
| Thereafter | - |
| Total minimum lease payments | <u>106,872</u> |
| Less amount representing interest | <u>(18,417)</u> |
| Present value of net minimum lease payments | <u>88,454</u> |
| Less current portion | <u>16,207</u> |
| Long-term portion | <u>\$ 72,247</u> |

Operating Lease Obligation Consist of:

12/31/2024

| | |
|--|--------------------------|
| 5.50% payable to The Lugo-Viña, Inc. (LVI) Real Estate Lease in 30 installments of \$10,777.08 including principal and interest. | <u>301,425</u> |
| | <u>\$ 301,425</u> |
| Less Current Portion | <u>115,633</u> |
| LONG TERM PORTION | <u>\$ 185,793</u> |

The following is a schedule showing the future minimum lease payments by period under capital lease obligation for the period ending December 31,2024

| | |
|---|--------------------------|
| December 31, 2025 | \$ 129,325 |
| December 31, 2026 | 129,325 |
| December 31, 2027 | 64,662 |
| December 31, 2028 | - |
| December 31, 2029 | - |
| Thereafter | - |
| Total minimum lease payments | 323,312 |
| Less amount representing interest | <u>(21,887)</u> |
| Present value of net minimum lease payments | 301,426 |
| Less current portion | 115,633 |
| Long-term portion | <u>\$ 185,793</u> |