Registered number: 13813756

ASP UK INTERMEDIATE CFC1 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

ASP UK INTERMEDIATE CFC1 LIMITED
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ASP UK INTERMEDIATE CFC1 LIMITED
COMPANY INFORMATION

Directors

D Ostrich
D J Webster

Registered number

13813756

Registered office

125 Wood Street
London
United Kingdom
EC2V 7AN

Independent auditors

MHA Moore and Smalley
Fourth Floor
80 Mosley Street
Manchester
M2 3FX

ASP UK INTERMEDIATE CFC1 LIMITED
STRATEGIC REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

The directors present their Strategic report for ASP UK Intermediate CFC1 Limited (the "Company") for the period ended 30 September 2022.

Principal activities and business review

The principal activity of the Company is that of a holding company. The business is focused on long term growth and providing group support by holding investments.

Principal risks and uncertainties

The key business risk affecting the Company is considered to relate to investment risk. The Company holds investments in its subsidiary undertakings. It is therefore exposed to the risk that these entities do not perform as expected and an impairment of the investment in shareholdings will become necessary. The directors monitor this risk and regularly assess the need for an impairment. The directors also maintain a presence on the board of any subsidiary companies through which they are able to ensure the interests of the Company are represented.

Going concern

The going concern basis has been used in the preparation of the financial statements as the parent undertaking, ASP CPM Holdings LLC, has confirmed that it will provide financial support to enable the Company to continue to meet its liabilities as they fall due and to continue in business for a period of at least 12 months following the signature of these financial statements.

Key performance indicators ("KPIs")

The directors manage and assess the Company performance through various means, with primary financial and operational measures including:

	2022
Net Assets	£71,039,515

Section 172(1) statement

Given the Company is a non-trading holding company and it does not have any employees, customers or suppliers, no decisions were made by the directors during the reporting period which required them to have regard to:

- the interests of the Company's employees;
- the impact of the Company's operations on the community;
- the need to foster the Company's business relationship with suppliers and customers.

Long term decisions

As a member of ASP CPM Holdings LLC the directors are committed to the long-term success of the Company. All strategic decisions consider the interest of the Company's key stakeholders including shareholders and the public.

Engagement with other stakeholders

The Company works closely with all its stakeholders and engages with them when it matters, always with a clear and distinct point of view.

Section 172(1) statement (continued)

High standards of business conduct and the need to act fairly between members.

Directors and management operate the business in a responsible manner by maintaining high standards of business conduct and considering all members equally and fairly.

This report was approved by the board on 18 December 2023 and signed on its behalf by:

D Ostrich

Director

ASP UK INTERMEDIATE CFC1 LIMITED
DIRECTORS' REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

The directors present their Annual report and the audited financial statements for ASP UK Intermediate CFC1 Limited (the "Company") for the period ended 30 September 2022.

The Company was incorporated on 22 December 2021.

Results and dividends

The loss for the period, after taxation, amounted to £66,154,709.

No ordinary dividends were paid during the period. The directors do not recommend the payment of a dividend for the period.

Share capital

On 22 December 2021, the Company issued 1 ordinary share at a value of £1 per share to ASP CPM UK Holdco Limited, the Company's immediate parent undertaking. On 24 December 2021, the Company issued a further 137,194,223 ordinary shares at a value of £1 per share to ASP CPM UK Holdco Limited.

Directors

The directors who served during the period and up to the date of signing the financial statements, unless otherwise stated, were:

D Ostrich	(appointed 22 December 2021)
D J Webster	(appointed 22 December 2021)

Financial risk management

The Company has adopted risk management policies that seek to mitigate the financial risks as follows:

Liquidity risk

The objective of the Company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due.

Foreign exchange risk

Our activities subject us to financial vulnerabilities arising from fluctuations in foreign currency exchange rates. Our exposure is limited to related party transactions. In an effort to mitigate exposure to exchange rate risk, we regularly review these related party transactions and the applicable exchange rates.

Future developments

At the date of this report, the directors do not foresee there will be any major change in the Company's activities in the next year.

Qualifying third-party indemnity provisions

The directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the period and is currently in force. ASP CPM Holdings LLC maintained throughout the financial period directors' and officers' liability insurance.

ASP UK INTERMEDIATE CFC1 LIMITED
DIRECTORS' REPORT (continued)
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

Streamlined energy and carbon reporting ('SECR')

As a holding company, ASP UK Intermediate CFC1 Limited does not employ any staff, maintain any local offices, or take part in any trading activities. As a result, the Company has not incurred any energy costs and has no energy use to report during the current period.

Disclosure of information to auditors

In the case of each directors in office at the date the Directors' report is approved:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The auditors, MHA Moore and Smalley were appointed as the auditors to the Company during the period and will be proposed for reappointment in accordance with Section 487 of the Companies Act 2006.

This report was approved by the board on 18 December 2023 and signed on its behalf by:

D Ostrich

Director

ASP UK INTERMEDIATE CFC1 LIMITED
DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

ASP UK INTERMEDIATE CFC1 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASP UK INTERMEDIATE CFC1 LIMITED

Opinion

We have audited the financial statements of ASP UK Intermediate CFC1 Limited (the 'company') for the period ended 30 September 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2022, and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going *concern* basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASP UK INTERMEDIATE CFC1 LIMITED (continued)

Other information (continued)

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- enquiries with management, about any known or suspected instances of non-compliance with laws and regulations or fraud within the business;
- challenging assumptions and judgements made by management in their key accounts estimates, particularly those used when assessing the impairment of investments;
- auditing the risk of management override of controls, including those through testing of journal entries and other adjustments made by management for appropriateness; and
- reviewing legal and professional expenditure and board minutes to identify any evidence of ongoing litigation or enquires.

We identified the following areas as the most likely to have a material impact upon the financial statements:

- compliance with The Companies Act 2006.

Owing to the inherent limitations of audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed the non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the FRC's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASP UK INTERMEDIATE CFC1 LIMITED (continued)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

MHA Moore & Smalley

Lee Van Houplines (Senior Statutory Auditor)
For and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor

Fourth Floor
80 Mosley Street
Manchester
M2 3FX

Date: 18 December 2023

ASP UK INTERMEDIATE CFC1 LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	Note	Period from 22 December 2021 to 30 September 2022 £
Impairment of investments	10	**(66,154,709)**
Operating loss		**(66,154,709)**
Loss before tax		**(66,154,709)**
Tax on loss	9	–
Loss for the financial period		**(66,154,709)**

There were no recognised gains and losses for the period ended 30 September 2022 other than those included in the Statement of Comprehensive Income. Therefore, a statement of other comprehensive income is not presented.

The notes on pages 14 to 22 are an integral part of these financial statements.

ASP UK INTERMEDIATE CFC1 LIMITED

BALANCE SHEET

REGISTERED NUMBER: 13813756

AS AT 30 SEPTEMBER 2022

	Note	2022 £
Fixed assets		
Investments	10	**71,039,515**
		71,039,515
Current assets		
Debtors: amounts falling due within one year	11	**1**
		1
Creditors: amounts falling due within one year	12	**(1)**
Net assets		**71,039,515**
Capital and reserves		
Called up share capital	13	**137,194,224**
Retained earnings	14	**(66,154,709)**
Total equity		**71,039,515**

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 December 2023 by:

D Ostrich

Director

The notes on pages 14 to 22 are an integral part of these financial statements.

ASP UK INTERMEDIATE CFC1 LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	Called up share capital	Retained earnings	Total equity
	£	£	£
Shares issued on incorporation	1	–	**1**
Issue of shares during the period	137,194,223	–	**137,194,223**
Loss for the financial period	–	(66,154,709)	**(66,154,709)**
At 30 September 2022	**137,194,224**	**(66,154,709)**	**71,039,515**

The notes on pages 14 to 22 are an integral part of these financial statements.

1 General information

The principal activity of ASP UK Intermediate CFC1 Limited (the "Company") is that of a holding company.

The Company was incorporated on 22 December 2021.

The Company is a private company limited by shares and is incorporated in the United Kingdom and registered in England. The address of its registered office is 125 Wood Street, London, United Kingdom, EC2V 7AN.

2 Statement of compliance

The financial statements of ASP UK Intermediate CFC1 Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

3.1 Basis of preparation of financial statements

These financial statements are prepared on a going concern basis, under the historical cost convention unless otherwise specified within the accounting policies.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

3.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

3 Summary of significant accounting policies (continued)

3.3 Consolidated financial statements

The Company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The Company is a wholly owned subsidiary of its parent company, ASP CPM Holdings LLC, and is included in their consolidated financial statements. The consolidated financial statements may be obtained from the Companies House website under the name of ASP UK Intermediate CFC1 Limited as they are appended as part of these financial statements.

3.4 Going concern

The going concern basis has been used in the preparation of the financial statements as the parent undertaking, ASP CPM Holdings LLC, has confirmed that it will provide financial support to enable the Company to continue to meet its liabilities as they fall due and to continue in business for a period of at least 12 months following the signature of these financial statements.

3.5 Foreign currency

i. Functional and presentation currency

The Company's functional and presentational currency is Pounds Sterling and rounded to the nearest Pound.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except where deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings are presented in the Statement of Comprehensive Income within interest receivable and similar income or interest payable and similar expenses. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within other operating (losses)/expenses or administrative expenses.

3 Summary of significant accounting policies (continued)

3.6 Taxation

Taxation expense for the period comprises current tax recognised in the reporting period.

Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current taxation assets and liabilities are not discounted.

i. Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

3.7 Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment losses.

Investments are assessed at each reporting date to determine whether there is objective evidence that it is impaired. An impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Impairment losses on investments are recognised upon evidence of other than temporary losses of value. When testing for impairment on investments that are not actively traded on a public market, we generally use a discounted cash flow approach to estimate the fair value of our investments and/or look to comparable activities in the market place. Management's judgement is required in developing the assumptions for the discounted cash flow approach. These assumptions include net asset values, internal rates of return, discount and capitalisation rates, etc. Based on our review of these underlying assumptions driven primarily due to changes in overall macroeconomic environment.

3 Summary of significant accounting policies (continued)

3.8 Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

i. Financial assets

Basic financial assets, including amounts owed by group undertakings are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the assets original effective interest rate. The impairment loss is recognised in profit or loss.

ii. Financial liabilities

Basic financial liabilities, including amounts from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

iii. Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.9 Called up share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4 Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Impairment of investments

The Company's investments in subsidiaries are reviewed to determine whether there are indicators of impairment that may affect their value. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the subsidiaries.

5 Auditor's remuneration

	Period from 22 December 2021 to 30 September 2022 £
Auditor's remuneration - audit services	**6,000**

6 Employees information

The Company had no employees other than the directors during the period.

7 Directors' emoluments

The directors did not receive any remuneration in respect of services to the Company during the period.

8 Operating loss

Operating loss is stated after charging:

	Period from 22 December 2021 to 30 September 2022 £
Impairment of investment	**66,154,709**

9 Taxation

(a) Analysis of charge in the period

	Period from 22 December 2021 to 30 September 2022 £
Current tax:	
UK corporation tax on loss for the period	–
Total current tax	–
Taxation on loss on ordinary activities	–

(b) Factors affecting the tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	Period from 22 December 2021 to 30 September 2022 £
Loss before tax	**(66,154,709)**
Loss before tax multiplied by UK weighted average rate of tax of 19%	**(12,569,395)**
Effects of:	
Expenses not deductible for tax purposes	**12,569,395**
Total tax charge	–

(c) Tax rate changes

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021.

10 Investments

	Investments in subsidiaries £
Cost	
At 22 December 2021 (on incorporation)	–
Additions	137,194,224
At 30 September 2022	**137,194,224**
Accumulated impairment	
At 22 December 2021 (on incorporation)	–
Impairment charge	66,154,709
At 30 September 2022	**66,154,709**
Net book value	
At 30 September 2022	**71,039,515**

On 22 December 2021, the Company invested £1 in ASP UK Intermediate CFC2 Limited. On 24 December 2021, the Company contributes £12,472,202 of cash to ASP UK Intermediate CFC2 Limited in exchange for shares in ASP UK Intermediate CFC2 Limited.

On 30 December 2021, the Company acquired 100% of the share capital in UK CFC1 Limited and UK CFC2 Limited in exchange for the issue of share capital to the value of £79,060,026 and £45,661,995 to ASP CPM UK Holdco Limited.

The directors reviewed the carrying value of the investments and an impairment charge of £66,154,709 was made during the period.

10 *Investments (continued)*

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
ASP UK Intermediate CFC2 Limited*	125 Wood Street, London, United Kingdom, EC2V 7AN	Holding company	Ordinary	100%
UK CFC1 Limited*	125 Wood Street, London, United Kingdom, EC2V 7AN	Holding company	Ordinary	100%
UK CFC2 Limited*	125 Wood Street, London, United Kingdom, EC2V 7AN	Holding company	Ordinary	100%
CPM Wolverine Proctor Limited	125 Wood Street, London, United Kingdom, EC2V 7AN	Manufacture, installation and commissioning of machinery used in food and industrial processing	Ordinary	100%
CFC AcquisitionCo1 Limited	125 Wood Street, London, United Kingdom, EC2V 7AN	Holding company	Ordinary	100%
CFC AcquisitionCo2 Limited	125 Wood Street, London, United Kingdom, EC2V 7AN	Holding company	Ordinary	100%
Jenbest Ltd	29 Shield Drive, Wardley Industrial Estate, Worsley, Manchester, M28 2QB	Holding company	Ordinary	100%
Greenbank Technology Limited	Unit 1 Greenbank Technology Park, Challenge Way, Blackburn, Lancashire, England, BB1 5QB	Design, sub-contract manufacture and supply of industrial thermal process and washing systems	Ordinary	100%
D&G Electrical Engineering Limited	Unit 1 Greenbank Technology Park, Challenge Way, Blackburn, Lancashire, United Kingdom, BB1 5QB	Electrical installations, maintenance and care, office refurbishment services	Ordinary	100%
Proline Engineering Limited	29 Shield Drive, Wardley Industrial Estate, Worsley, Manchester, M28 2QB	Design and installation of conveying equipment	Ordinary	100%

*Directly held by the Company.

11 Debtors: amounts falling due within one year

	2022
	£
Amounts owed by group undertakings	1

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

12 Creditors: amounts falling due within one year

	2022
	£
Amounts owed to group undertakings	1

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

13 Called up share capital

	2022
	£
Allotted, called up and partly paid	
137,194,224 Ordinary shares of £1 each	**137,194,224**

On 22 December 2021, the Company issued 1 ordinary share at a value of £1 per share to ASP CPM UK Holdco Limited, the Company's immediate parent undertaking. On 24 December 2021, the Company issued a further 137,194,223 ordinary shares at a value of £1 per share to ASP CPM UK Holdco Limited.

14 Reserves

Retained earnings

The Statement of Comprehensive Income represents the accumulated profits, losses and distributions of the Company.

15 Related party transactions

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

16 Controlling party

The Company's immediate parent company is ASP CPM UK Holdco Limited a Company incorporated in the United Kingdom.

The smallest and largest entity to prepare consolidated financial statements to include the Company is ASP CPM Holdings LLC.

The ultimate parent company is ASP CPM Holdings LLC, a Company incorporated in United States of America.

ASP CPM Holdings LLC and Subsidiaries

Consolidated Financial Statements and Supplementary Consolidating Information
September 30, 2022 and 2021

ASP CPM Holdings LLC and Subsidiaries
Index
September 30, 2022 and 2021

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Report of Independent Auditors

To the Board of Directors and Management of
ASP CPM Holdings LLC

Opinion

We have audited the accompanying consolidated financial statements of ASP CPM Holdings LLC and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of September 30, 2022 and 2021, and the related consolidated statements of operations, comprehensive income, changes in members' equity and cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

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Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with US GAAS, we:

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

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

PricewaterhouseCoopers LLP

January 13, 2023

ASP CPM Holdings LLC and Subsidiaries
Consolidated Balance Sheets
September 30, 2022 and 2021

(dollars in thousands, except per unit information)	2022	2021
Assets		
Current assets		
Cash and cash equivalents	$ 176,927	$ 100,231
Restricted customer deposits	2,504	2,312
Accounts receivable, net	86,322	70,422
Inventories	101,460	74,846
Contract assets	26,361	28,219
Prepaid expenses and other current assets	29,960	24,019
Total current assets	423,534	300,049
Property, plant and equipment, net	50,135	46,596
Goodwill	564,410	602,450
Other intangibles, net	380,438	452,511
Other assets	12,977	-
Deferred taxes	208	213
Total assets	$ 1,431,702	$ 1,401,819
Liabilities and Members' Equity		
Current liabilities		
Current portion of long-term debt	$ 5,401	$ 5,401
Accounts payable	77,671	57,847
Accrued expenses	44,012	42,390
Customer progress payments	62,758	44,731
Contract liabilities	164,419	55,597
Total current liabilities	354,261	205,966
Long-term debt, less current portion	654,553	657,014
Deferred taxes	78,826	89,807
Other liabilities	4,759	14,932
Total liabilities	1,092,399	967,719
Commitments and contingencies		
Members' equity		
Members' investment	493,084	489,558
Accumulated deficit	(82,186)	(61,247)
Accumulated other comprehensive (loss) income	(71,595)	5,789
Total members' equity	339,303	434,100
Total liabilities and members' equity	$ 1,431,702	$ 1,401,819

The accompanying notes are an integral part of these consolidated financial statements.

ASP CPM Holdings LLC and Subsidiaries
Consolidated Statements of Operations
Years Ended September 30, 2022 and 2021

(dollars in thousands)	2022	2021
Net sales	$ 670,188	$ 521,337
Cost of goods sold	411,446	320,665
Gross profit	258,742	200,672
Operating expenses		
Selling, general and administrative expenses	100,674	80,932
Amortization expense	43,667	47,473
Management fees	2,039	2,254
Total operating expenses	146,380	130,659
Income from operations	112,362	70,013
Other expense (income)		
Interest expense	22,063	38,266
Interest income	(938)	(366)
Total other expense	21,125	37,900
Income before income taxes	91,237	32,113
Income tax expense	12,163	5,286
Net income	$ 79,074	$ 26,827

The accompanying notes are an integral part of these consolidated financial statements.

ASP CPM Holdings LLC and Subsidiaries
Consolidated Statements of Comprehensive Income
Years Ended September 30, 2022 and 2021

(dollars in thousands)	2022	2021
Net income	$ 79,074	$ 26,827
Other comprehensive income (loss)		
Foreign currency translation adjustments (net of income tax of $25 and $139)	(77,384)	8,813
Comprehensive income	$ 1,690	$ 35,640

The accompanying notes are an integral part of these consolidated financial statements.

ASP CPM Holdings LLC and Subsidiaries
Consolidated Statements of Changes in Members' Equity
Years Ended September 30, 2022 and 2021

(dollars in thousands, except per unit information)	Members' Units	Members' Investment	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Members' Equity
Balances at October 1, 2020	4,874,567.50	$ 490,741	$ (88,074)	$ (3,024)	$ 399,643
Unit-based compensation	-	1,727	-	-	1,727
Capital contributions	6,000.00	600	-	-	600
Repurchase of member units	(35,100.00)	(3,510)	-	-	(3,510)
Net income	-	-	26,827	-	26,827
Foreign currency translation adjustments	-	-	-	8,813	8,813
Balances at September 30, 2021	4,845,467.50	489,558	(61,247)	5,789	434,100
Unit-based compensation	-	2,715	-	-	2,715
Capital contributions	14,045.74	1,431	-	-	1,431
Repurchase of member units	(4,000.00)	(620)	-	-	(620)
Dividends paid to unit holders	-	-	(100,013)	-	(100,013)
Net income	-	-	79,074	-	79,074
Foreign currency translation adjustments	-	-	-	(77,384)	(77,384)
Balances at September 30, 2022	4,855,513.24	$ 493,084	$ (82,186)	$ (71,595)	$ 339,303

The accompanying notes are an integral part of these consolidated financial statements.

ASP CPM Holdings LLC and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended September 30, 2022 and 2021

(dollars in thousands)	2022	2021
Cash flows from operating activities		
Net income	$ 79,074	$ 26,827
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization of property, plant and equipment	8,292	8,438
Amortization of intangible assets	43,667	47,473
Amortization of original issue discount and debt issuance costs	2,940	2,855
Write-off of original issue discount and debt issuance costs	-	1,682
Unit-based compensation expense	2,715	1,727
Provision for bad debts	1,046	807
Loss on disposals of property, plant and equipment	519	272
Change in interest rate swap liability	(21,611)	(7,662)
Deferred income tax benefit	(4,219)	(7,258)
Foreign currency exchange gain	(2,256)	(1,256)
Changes in operating assets and liabilities, net of acquisitions		
Restricted customer deposits	(468)	1,716
Accounts receivable	(23,238)	(7,014)
Inventories	(32,903)	(2,759)
Contract assets	(1,067)	(4,206)
Prepaid expenses and other current assets	(8,924)	(9,355)
Accounts payable	24,412	10,455
Accrued expenses and other liabilities	(1,884)	4,748
Customer progress payments	23,393	5,796
Contract liabilities	112,246	30,559
Net cash provided by operating activities	201,734	103,845
Cash flows from investing activities		
Purchases of property, plant and equipment	(14,435)	(3,510)
Proceeds on sales of property, plant and equipment	31	160
Acquisition of Bliss, net of cash acquired	-	(6,570)
Acquisition of Planet Dryers, net of cash acquired	(3,683)	-
Net cash used in investing activities	(18,087)	(9,920)
Cash flows from financing activities		
Payments of long-term debt	(5,401)	(54,983)
Payments of dividends to unitholders	(100,013)	-
Proceeds from capital contributions	1,431	600
Repurchase of member units	(620)	(3,510)
Payment of deferred consideration on acquisition	-	(138)
Net cash used in financing activities	(104,603)	(58,031)
Effect of foreign exchange rate changes on cash and cash equivalents	(2,348)	2,032
Net increase in cash and cash equivalents	76,696	37,926
Cash and cash equivalents		
Beginning of year	100,231	62,305
End of year	$ 176,927	$ 100,231
Supplemental information		
Cash paid for interest	$ 39,099	$ 42,532
Cash paid for taxes (net of refunds)	$ 19,488	$ 13,188

The accompanying notes are an integral part of these consolidated financial statements.

(dollars in thousands, except per unit information)

1. Description of Business

ASP CPM Holdings LLC (the "Company" or "CPM") is engaged in the design, production and marketing of high-quality, efficient, durable process systems, equipment and after-market parts and services. CPM manufactures and sells process equipment and parts to the agricultural, food producing/processing, plastics compounding, two-piece beverage container, industrial griddle and other industries. CPM sells engineered process systems consisting of engineering services, design and layout services along with outsourced process equipment for the oilseed processing, biodiesel and edible oil refining and other industries.

Operations are worldwide and include production and sales facilities in the United States, the Netherlands, United Kingdom, Germany, Italy, Singapore, China, Brazil and Argentina.

2. Significant Accounting Policies

Principles of Consolidation
The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Significant intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents
Cash equivalents consist of short-term investments with an original maturity of three months or less at the time of purchase. The Company maintains cash deposits with major banks which from time to time may exceed federally insured limits. The Company periodically assesses the financial institutions and believes that the risk of any loss is minimal.

Restricted Customer Deposits
Approximately $2,504 and $2,312 of cash of the Company's subsidiaries in Europe, Asia and North America is restricted at September 30, 2022 and 2021, respectively. This primarily represents deposits made by customers on orders being manufactured. Generally, the cash restriction is removed when the order is shipped. The restricted customer deposits have been recorded in operating activities in the consolidated statements of cash flows as the cash is received from customers in the ordinary course of business, held in the Company's bank accounts, is not invested and does not contain other restrictions.

Accounts Receivable and Concentration of Credit Risk
Concentrations of credit risk with respect to trade receivables are limited due to the number of customers and their geographical dispersion. The Company performs initial and ongoing credit evaluations of its customers, generally does not require collateral, and maintains allowances for potential credit losses. The allowance is an estimate and is regularly evaluated by the Company for adequacy. The establishment of trade receivable allowances and related bad debt expense is based on historical loss experience, credit quality of the customer base, age of the receivable balances, both individually and in the aggregate, current economic conditions that may affect a customer's ability to pay, and estimated exposure on specific trade receivables. If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

(dollars in thousands, except per unit information)

Inventories
Inventories consist of finished goods, work in process and raw materials, and are stated at the lower of cost or net realizable value with cost determined on the first-in, first-out ("FIFO") method. The establishment of write downs for excess and obsolete inventories is based on historical usage and estimated exposure on specific inventory items.

Property, Plant and Equipment
Property, plant and equipment is stated at cost or at its fair value when acquired as part of a business combination. Depreciation is computed by using the straight-line method over the estimated remaining useful lives of the assets ranging from 3 to 20 years. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or estimated useful life of the asset.

Property, plant and equipment are subject to depreciation having been assigned an estimated useful life as follows:

Buildings and improvements	20 years
Machinery and equipment	3 to 7 years
Furniture and fixtures	5 to 7 years

Expenditures for maintenance and repairs and minor renewals and betterments which do not improve or extend the life of the respective assets are expensed as incurred. All other expenditures for renewals and betterments are capitalized. The assets and related depreciation and amortization accounts are adjusted for property retirements and disposals with the resulting gain or loss included in operations.

Intangible Assets
Identifiable finite-lived intangible assets consist of trademarks, developed technology, customer relationships and other intangible assets which were purchased independently or recorded as part of acquisitions. These intangible assets are being amortized over their estimated useful lives using straight-line or accelerated amortization methods to reflect an appropriate allocation of the costs of the intangible assets to earnings in proportion to the amount of economic benefits obtained by the Company in each reporting period. Intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable or realized.

Long-Lived Assets
Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the related asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to future undiscounted cash flows expected to be generated by the asset (or asset group). If the asset (or asset group) is determined to be impaired, the impairment recognized is measured by the amount by which the carrying value of the asset (or asset group) exceeds its fair value.

Goodwill
Goodwill represents the excess of the purchase price over the fair value of assets acquired and liabilities assumed. Goodwill is not amortized, but is tested for impairment at the reporting unit level annually or at the time of a triggering event. The Company has the option to first assess qualitative factors to determine whether the quantitative impairment test is necessary. If the qualitative assessment indicates that it is not more likely than not that the goodwill is impaired,

(dollars in thousands, except per unit information)

further testing is unnecessary. If the qualitative assessment indicates that it is more likely than not that goodwill is impaired, the Company then performs a quantitative test to compare the reporting unit's fair value with its carrying amount, including goodwill. The Company performed the goodwill asset impairment testing during 2022 and 2021 and no impairment was noted.

If a quantitative impairment analysis is necessary, carrying value is compared to fair value as determined from a combination of income and market based approaches. The income approach utilizes estimates of discounted cash flows, which requires assumptions of, among other things, the Company's expected long-term revenue trends, as well as estimates of profitability, changes in working capital and long-term discount rates, all of which require significant judgment. The income approach also requires the use of appropriate discount rates that take into account the current risks of the capital markets. The market approach applies comparative market multiples derived from the historical earnings data of selected guideline publicly-traded companies to the Company's business to yield a second assuming value. The guideline companies are first screened by industry group and then further narrowed based on the Company's business descriptions, markets served, competitors, profitability, and revenue size.

Original Issue Discount and Debt Issuance Costs
Debt issuance costs related to a recognized debt liability are presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with original issue discounts. Amortization is recognized under the effective interest or straight-line methods depending on the type of financing which the debt issuance costs relate.

Warranties
The Company warrants its process machines and other specialty equipment for a period of one year after delivery of the product. An accrual of estimated warranty costs for open agreements is included in accrued expenses in the accompanying consolidated balance sheets. The estimate of warranty costs is based upon prior experience with similar products.

	2022	2021
Accrued warranties		
Beginning of period	$ 4,872	$ 3,488
Settlements made	(2,500)	(1,002)
Change in liability related to product warranties issued	531	2,386
End of period	$ 2,903	$ 4,872

Revenue Recognition
The Company recognizes revenue in accordance with specific contract terms with its customers. The Company considers signed contracts as evidence of an arrangement. Customer arrangements typically include the right to terminate their contract. However, the majority of contracts contain provisions that require payment for all services rendered to date, even those services that have not yet been billed. Additionally, many of the products or services related to these contracts are customer-specific, and therefore have no alternative use. As such, revenue related to these contracts is recognized over time. There are certain arrangements for which the product may be re-purposed and sold to another customer in the event of a contract termination. As such, these contracts are considered to have an alternative use. Revenue from these arrangements is recognized at a point in time when the transfer of control occurs, generally based on shipping terms.

(dollars in thousands, except per unit information)

The amount of revenue recognized by the Company reflects the expected consideration to be received for providing the goods or services to the customer, which includes estimates for variable consideration. Variable consideration includes allowances for credits related to nonconforming goods and certain discounts that may be provided to customers. Estimates of variable consideration are determined at contract inception and reassessed at each reporting date, at a minimum, to reflect any changes in facts and circumstances. The Company utilizes the expected value method in determining its estimates of variable consideration, based on evaluations of specific product and customer circumstances, historical and anticipated trends, and current economic conditions.

The Company has adopted the practical expedient to treat shipping and handling costs as fulfillment costs.

The Company has also applied the practical expedient to recognize incremental costs of obtaining a contract as an expense when incurred as the amortization period of the asset that otherwise would have been recognized is typically one year or less.

The Company's disaggregated revenue streams are as follows:

	2022	2021
Timing of Revenue Recognition		
Transferred at a point in time	$ 261,420	$ 271,043
Transferred over time	408,768	250,294
Net sales	$ 670,188	$ 521,337

The Company recognizes revenue from no alternative use contracts over time. The Company enters into arrangements with its customers for specialized equipment that is designed, engineered and fabricated to customer specification on the Company's premises. Additionally, the customer may order parts that are fabricated specifically for the piece of equipment manufactured for that customer. Due to the precise nature of the manufacturing process that is specific to each customer request, these parts have no alternative use. These arrangements entitle the Company to consideration for progress to date, including a normal profit margin, as the Company completes the performance obligation of manufacturing the product. As such, revenues from the manufacturing of equipment are recognized over time utilizing an input method that best describes progress to date, such as milestones achieved, or costs incurred to date as a percentage of total estimated costs, depending on the nature of the arrangement. Losses on these arrangements are recognized in full at the time the amount of the loss becomes evident. Commissioning or start-up services may be included in these arrangements, on a time and material basis, to get the completed machinery operating as intended. Revenue from the services provided in these arrangements are recognized over time, using an input method such as hours completed. These arrangements include two performance obligations; 1) the equipment (including the specialized parts) and 2) commissioning or start-up services.

The Company recognizes revenue from standardized equipment and parts that have an alternative use at a point in time. The Company enters into certain arrangements to manufacture a standardized base model of equipment that is configured or enhanced with standard add-on parts to customer specifications. The equipment in these arrangements may be re-purposed and sold to another customer by changing the configuration or removing the standardized add-on parts without

(dollars in thousands, except per unit information)

a significant impact to the profit margin. Additionally, the customer may request standardized spare parts in addition to equipment on their order. Revenue from this type of arrangement is recognized at a point in time, when control is transferred to the customer, generally based on shipping terms. Commissioning or start-up services may be included in these arrangements, on a time and material basis, to get the completed machinery operating as intended. Revenue from the services provided in these arrangements are recognized over time, using an input method such as hours completed. These arrangements include three performance obligations; 1) the equipment, 2) standardized parts that may be sold in addition to the equipment and 3) start-up or commissioning services.

Contract Balances

Contract assets are rights to consideration in exchange for goods or services that have been transferred to a customer when that right is conditional on something other than the passage of time. Once the Company has an unconditional right to consideration under a contract, amounts are invoiced and contract assets are reclassified to accounts receivable. The Company's primary contract assets relate to costs and estimated earnings in excess of billings on uncompleted contracts. These amounts are expected to be invoiced and collected in the next 12 months.

Contract liabilities are recorded when a customer pays consideration, or the Company has a right to an amount of consideration that is unconditional, before the transfer of a good or service to the customer and thus represent the Company's obligation to transfer the good or service to the customer at a future date. The Company's primary contract liabilities relate to billings in excess of costs and estimated earnings on uncompleted contracts. In addition, the Company has contract liabilities for customer progress payments that are separately disclosed on the consolidated balance sheet. In certain contractual arrangements, the Company invoices the customer prior to satisfying a performance obligation, resulting in billings in excess of costs and estimated earnings on uncompleted contracts and customer progress payments. These balances are expected to be recognized within the next 12 months as the performance obligations are satisfied.

Unit-Based Compensation: Service Based Vesting

Unit-based compensation associated with the issuance of unit options to employees is recognized as an expense on a straight-line basis in the consolidated statements of operations based on the fair value of the awards computed at the date of grant and the estimated number of units expected to vest over the related vesting period.

The Black-Scholes model requires the use of exercise behavior data and the use of a number of assumptions including volatility of the unit price, the weighted average risk-free interest rate, the dividend rate and the weighted average expected life of the options. The Company estimates grant date fair value using the Black-Scholes option pricing model, which incorporates the following assumptions:

Expected Term

The expected life of options granted to employees is based on the vesting term and the anticipated holding period.

Risk-Free Interest Rate

The risk-free interest rate assumption is based upon observed interest rates on the grant date of zero coupon U.S. Treasury bonds whose maturity period is appropriate for the term of the Company's unit options.

(dollars in thousands, except per unit information)

Expected Volatility
The volatility assumption was calculated using management's best estimate and is based on volatility rates of comparable companies in the Company's industry sector.

Expected Dividend
The Black-Scholes option pricing model calls for a single expected dividend yield as an input.

The Company normally does not pay dividends. Any dividends paid are discretionary in nature and the Company does not expect to pay dividends in the foreseeable future.

Forfeitures
The Company has elected to recognize the impact of forfeitures in the period incurred.

Unit-Based Compensation: Performance Based Vesting
Employee unit-based compensation relating to performance-based awards vest according to a performance condition, which is a change in control, sale or liquidation of the Company. The Company estimates grant date fair value using a Monte Carlo simulation but does not recognize expense in the financial statements until the performance condition is probable of occurrence.

Advertising
The Company expenses advertising costs as incurred. Advertising expense was $1,231 and $821 during the years ended September 30, 2022 and 2021, respectively.

Income Taxes
Deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each year end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. All deferred tax assets and liabilities, along with any related valuation allowance, are classified as noncurrent on the balance sheet. Deferred tax assets and liabilities are not netted against each other except within a single jurisdiction, therefore each jurisdiction contains one net noncurrent deferred tax asset or liability. Interest and penalties on uncertain tax positions, to the extent they exist, are included in the Company's provision for income taxes. The provision for income taxes represents the current tax expense for the period and the change during the period in deferred tax assets and liabilities.

Comprehensive Income
Comprehensive income for the Company includes net income and foreign currency translation adjustments that are charged or credited to comprehensive income. The related amounts are presented in the consolidated statements of comprehensive income.

Accumulated other comprehensive income (loss) includes cumulative foreign currency translation adjustments, net of tax and are included in the consolidated statements of changes in members' equity.

(dollars in thousands, except per unit information)

Foreign Currency
The accounts of foreign operations are measured using local currency as the functional currency. Accordingly, assets and liabilities are translated into U.S. dollars at the end of period exchange rates and income and expenses are translated at average exchange rates. Net adjustments resulting from such translation are included in other comprehensive income on the consolidated statements of comprehensive income and accumulated as a separate component of accumulated other comprehensive income (loss) included in the consolidated statements of changes in members' equity.

Certain foreign currency denominated transactions of the Company are subject to exchange rate fluctuations. The aggregate realized transaction gain included in net income was $2,256 and $1,256 for the years ended September 30, 2022 and 2021, respectively.

Derivative Instruments
The Company has entered an interest rate collar to limit exposure to fluctuations in interest rates. This contract is not designated as a hedge. The contract is marked-to-market each period and gains and losses are recognized in interest expense.

Fair Value Measurements
Authoritative accounting guidance provides a framework for measuring fair value and establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company measured its interest rate collar instrument at September 30, 2022 and 2021 at fair value on a recurring basis using Level 2 inputs. The Company records assets and liabilities acquired in connection with an acquisition at fair value.

The Company considers that the carrying amount of financial instruments, including accounts receivable, accounts payable and accrued liabilities, approximates fair value due to their short maturities.

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

(dollars in thousands, except per unit information)

Subsequent Events
We evaluated subsequent events through January 13, 2023, the date our consolidated financial statements were available to be issued.

On October 24, 2022 the Company purchased Dorssers Inc. (Dorssers) for $122,000. Dorssers is a leading manufacturer of pellet mill dies, roller shells and roller replacement parts for the feed and biomass industries. The acquisition solidifies our position as a leader in pelleting and grinding equipment, parts and service and broadens our product portfolio. The acquisition was funded through available cash.

We have determined there were no other subsequent events which required recognition or disclosure in these consolidated financial statements.

3. Selected Consolidated Financial Statement Information

Accounts Receivable, Net

	2022	2021
Accounts receivable	$ 90,522	$ 73,572
Less: Allowance for doubtful accounts	(4,200)	(3,150)
	$ 86,322	$ 70,422

Inventories

	2022	2021
Raw materials	$ 10,800	$ 7,255
Work-in-process	11,532	9,165
Finished goods	79,128	58,426
	$ 101,460	$ 74,846

Contracts in Progress

	2022	2021
Costs incurred on uncompleted contracts	$ 251,418	$ 192,883
Estimated earnings on uncompleted contracts	164,255	82,563
Less: Billings on contracts in progress	(553,731)	(302,824)
	$ (138,058)	$ (27,378)

These amounts are included in the consolidated financial statements as follows:

	2022	2021
Contract assets	$ 26,361	$ 28,219
Contract liabilities	(164,419)	(55,597)
	$ (138,058)	$ (27,378)

(dollars in thousands, except per unit information)

Property, Plant and Equipment, Net

	2022	2021
Land	$ 4,211	$ 4,725
Buildings and improvements	17,408	16,411
Machinery and equipment	55,163	43,057
Furniture and fixtures	1,709	1,612
Less: Accumulated depreciation and amortization	(28,356)	(19,209)
	$ 50,135	$ 46,596

Goodwill

	2022	2021
Beginning of period	$ 602,450	$ 594,422
Acquisitions	3,444	2,652
Foreign currency translation adjustments	(41,484)	5,376
End of period	$ 564,410	$ 602,450

Other Intangibles, Net

	2022		
	Cost	Accumulated Amortization	Net
Trademarks	$ 128,382	$ 24,874	$ 103,508
Customer relationships	338,327	108,933	229,394
Developed technology	60,635	15,279	45,356
Other	3,850	1,670	2,180
Other intangibles, net	$ 531,194	$ 150,756	$ 380,438

	2021		
	Cost	Accumulated Amortization	Net
Trademarks	$ 137,905	$ 19,824	$ 118,081
Customer relationships	363,786	85,139	278,647
Developed technology	65,281	11,969	53,312
Other	3,525	1,054	2,471
Other intangibles, net	$ 570,497	$ 117,986	$ 452,511

Intangible assets subject to amortization have been assigned an estimated finite useful life as follows:

Trademarks	20 years
Customer relationships	5 to 20 years
Developed technology	10 to 20 years

(dollars in thousands, except per unit information)

Total amortization expense related to intangible assets was $43,667 and $47,473 for the years ended September 30, 2022 and 2021, respectively. The weighted average remaining useful life of other intangibles was 16.20 years and 17.20 years at September 30, 2022 and 2021, respectively.

At September 30, 2022, future estimated amortization will be:

Fiscal Year	
2023	$ 39,372
2024	36,817
2025	34,308
2026	31,495
2027	29,285
Thereafter	209,161
	$ 380,438

Actual amortization amounts may change from such estimated amounts due to additional intangible asset acquisitions, potential impairments, accelerated amortization or other events.

Accrued Expenses

	2022	2021
Employee payroll, benefits and payroll taxes	$ 24,394	$ 19,996
Interest	4,280	2,644
Commissions	1,727	1,610
Warranties	2,903	4,872
Income taxes payable	-	1,752
VAT and sales taxes payable	1,149	2,438
Other	9,559	9,078
	$ 44,012	$ 42,390

(dollars in thousands, except per unit information)

4. Acquisitions

On February 8, 2022, the Company purchased Planet Group (Peterborough) Limited (Planet Dryers) for $5,463 (£4,038). Planet Dryers is a manufacturer of dryers, coolers and related equipment for the snack food and ready-to-eat breakfast food industries. The acquisition was funded by existing cash and $3,444 of goodwill was generated as a result of the acquisition. The acquisition compliments the Company's existing product lines of dryers and roasters and expands the Company's customer base for all related products. The Planet Dryers results have been included in the Company's results of operations since the date of acquisition.

Cash and cash equivalents	$	1,780
Inventories		45
Prepaid expenses and other current assets		34
Property, plant and equipment		456
Goodwill		3,444
Accounts payable		(192)
Accrued expenses		(11)
Customer progress payments		(93)
	$	5,463

On August 4, 2021, the Company purchased Bliss Industries, LLC (Bliss) for $6,825. Bliss is a leading manufacturer of hammermills, pellet mills, counterflow coolers, and peripheral equipment for the biomass, pet food, and animal feed industries. The acquisition was funded by existing cash and compliments the Company's existing grinding and pelleting product portfolio. Tax amortizable goodwill of $2,652 was generated as a result of the acquisition. The Bliss results have been included in the Company's results of operations since the date of acquisition.

Cash and cash equivalents	$	255
Accounts receivable		2,514
Inventories		3,524
Prepaid expenses and other current assets		60
Property, plant and equipment		4,164
Goodwill		2,652
Accounts payable		(617)
Accrued expenses		(392)
Customer progress payments		(3,331)
Other long term debt		(2,004)
	$	6,825

(dollars in thousands, except per unit information)

5. Debt

The Company's debt at September 30, 2022 and 2021 consists of the following:

	2022	2021
First lien term loan	$ 512,201	$ 517,525
Second lien term loan	158,000	158,000
Other long term debt	1,914	1,991
Unamortized original issue discount and debt issuance costs	(12,161)	(15,101)
	659,954	662,415
Less: Amounts due within one year	(5,401)	(5,401)
	$ 654,553	$ 657,014

First and Second Lien Credit Agreements
In November 2018, the Company entered into a first lien credit agreement ("First Lien Credit Agreement") and a second lien credit agreement ("Second Lien Credit Agreement") with certain financial institutions. The First Lien Credit Agreement includes an initial term loan with an original principal amount of $540,000. Principal payments of $1,350 are due on the last day of each calendar quarter throughout the remaining life of the loans. The outstanding principle balance is due upon maturity on November 15, 2025. The first lien credit agreement also provides for a revolving credit facility ("Revolver") of up to $50,000 in aggregate, consisting of a revolving credit loan, letters of credit in a face amount not to exceed $15,000 in aggregate, and swing line loans in the principal amount not to exceed $10,000. The swing line loans are sub-facilities of the revolving credit facility used for daily fluctuations on borrowings. There were $0 borrowings and $259 of letters of credit outstanding under the first lien revolving credit facility, therefore credit available for borrowing was $49,741 on September 30, 2022. As of September 30, 2021, there were $0 borrowings and $202 of letters of credit outstanding under the first lien revolving credit facility, therefore credit available for borrowing was $49,798 on September 30, 2021. The Revolver credit agreement expires on November 15, 2023.

The Second Lien Credit Agreement includes a term loan in the initial amount of $200,000. All principal is due upon maturity on November 15, 2026.

At the Company's option, the interest rate on borrowings under the First and Second Lien Credit Agreements are elected periodically as Base Rate borrowings, bearing interest at a rate equal to the greater of (a) the prime rate (6.25% at September 30, 2022), (b) the federal funds effective rate (3.08% at September 30, 2022) plus 0.50%, or (c) the adjusted one-month LIBOR rate (2.92% at September 30, 2022) plus 1.00%; or (d) 1.00% or Adjusted Libor Rate borrowings, bearing interest at the greater of (a) the adjusted Libor rate for the elected interest period, or (b) 0.00%. Interest on the Base Rate borrowings is payable in arrears on the last day of each calendar quarter. Interest on the Libor borrowings is payable in arrears on the last day of each elected interest period relating to such loan, but not to exceed three months. With respect to the initial term loans, under the First Lien Credit Agreement, an applicable margin of 2.75% is added to Base Rate borrowings and 3.75% is added to Libor borrowings from the date of closing to the first date of delivery of financial statements. Subsequently an applicable margin of 2.50% is added to Base Rate borrowings if the total first lien leverage ratio is less than or equal to 4.25 to 1 and an applicable margin of 2.75% is added to Base Rate borrowings if the total first lien leverage ratio is greater than or equal to 4.25 to

(dollars in thousands, except per unit information)

1 and an applicable margin of 3.50% is added to Libor borrowings if the total first lien leverage ratio is less than or equal to 4.25 to 1 and an applicable margin of 3.75% is added to Libor borrowings if the total first lien leverage ratio is greater than or equal to 4.25 to 1.

Under the Second Lien Credit Agreement, an applicable margin of 7.25% is added to Base Rate borrowings and an applicable margin of 8.25% is added to Libor borrowings.

In conjunction with the First and Second Lien Credit Agreements, the Company capitalized debt issuance costs and original issue discounts of $24,760. Debt issuance costs and original issue discounts, net of accumulated amortization, was $12,161 at September 30, 2022 and are being amortized using the effective interest method over the term of the debt. Debt issuance costs consisted of legal, accounting and deal fees directly related to the agreements. Net proceeds from the borrowings were used to fund the acquisition of the Company.

The First and Second Lien Credit Agreements are collateralized by a security interest in substantially all of the Company's tangible and intangible assets in the United States. The First and Second Lien Credit Agreements are also guaranteed by the Company and all direct and indirect domestic subsidiaries of the Company.

The First and Second Lien Credit Agreements provide for mandatory prepayments without penalty if certain conditions are met such as incurrence of certain additional indebtedness, disposition of certain assets, and based on excess cash flow as defined by the credit agreements. No such payments were required at September 20, 2022 and 2021.

The First and Second Lien Credit Agreements are subject to certain customary covenants and restrictions such as on the issuance of certain additional indebtedness, the payment of dividends or entering into certain merger or acquisitions as defined in detail in the credit agreements. In addition, the borrowings specifically related to the Revolver are subject to a total leverage ratio test when borrowing exceeds $17,500 on the last day of a test period.

In December 2018, the Company entered into an interest rate collar agreement associated with its First and Second Lien Credit Agreements. As a result of this agreement, the Company will receive variable-rate amounts if the designated interest rates rise above the cap strike rate on the contract and pay variable-rate amounts if the designated interest rates fall below the floor strike rate on the contract. The principal objective of such arrangements is to minimize the risks and/or costs associated with the Company's operating and financial structure. The Company does not intend to utilize derivatives for speculative or other purposes other than interest rate risk management. The interest rate collar agreement is recorded at fair market value and the related gain of $21,611 and $7,662 was recorded in interest expense during the years ended September 30, 2022 and 2021, respectively. The fair value of the agreement was $12,977 and $(8,634) on September 30, 2022 and 2021, respectively, and is included on the balance sheet in other assets in 2022 and other liabilities in 2021.

(dollars in thousands, except per unit information)

European Credit Facility

The Company's subsidiaries located in Europe have a bank credit facility (the "Facility"). At September 30, 2022, the aggregate amount of the facility was $27,278 (€28,000) which includes a revolving credit facility of up to $9,742 (€10,000) that may also be used for conditional obligations, and a bank guarantee facility in an aggregate amount of up to $17,536 (€18,000). The facility expires on October 30, 2025. At September 30, 2022, there were $0 borrowings and $12,135 of bank guarantees outstanding under the facility, therefore credit available for borrowing was $9,742.

Borrowings bear interest at a rate equal to the 1-month EURIBOR (1.53% at September 30, 2022) plus 3.25%. Interest payments are due monthly. Commitment fees on the revolving credit facility are equal to 1.1% per year on the nonutilized portion of the revolving credit facility and are due monthly.

The bank guarantee facility provides for contingent obligations such as bank guarantees, letters of credit, or similar obligations to be opened at the request of the borrower. A bank guarantee fee will be charged upon normal market rates and terms.

Borrowings under the Facility are collateralized by a mortgage on real estate of CPM Europe B.V. and a pledge of all present and future receivables, inventory and machinery and equipment of CPM Europe B.V. Borrowings under the Facility are subject to certain financial and nonfinancial covenants including an absolute EBITDA test calculated on the financial results of the subsidiaries covered under the Facility.

6. Income Taxes

The reconciliation between the Company's effective income tax rate and the U.S. statutory rate are as follows:

	Years Ended September 30, 2022	Years Ended September 30, 2021
Statutory U.S. federal income tax rate	$ 19,160	$ 6,744
State income taxes, net of U.S. federal income tax	313	(481)
Meals and entertainment and other nondeductible expenses	112	28
Current year federal and state R&D credits	(361)	(395)
Change in valuation allowance	(42)	(357)
Uncertain tax positions	118	33
Nontaxable foreign currency gain	(2,485)	-
Impact of foreign earnings	(4,278)	26
Other	(374)	(312)
	$ 12,163	$ 5,286

(dollars in thousands, except per unit information)

Components of the income tax expense (benefit) are as follows:

	Years Ended September 30, 2022	Years Ended September 30, 2021
Current		
Federal	$ 10,841	$ 6,153
State	742	197
Foreign	4,799	6,194
Total current expense	16,382	12,544
Deferred		
Federal	(3,723)	(7,149)
State	(687)	(678)
Foreign	191	569
Total deferred benefit	(4,219)	(7,258)
	$ 12,163	$ 5,286

Components of the deferred tax assets and liabilities at September 30, 2022 and 2021, consist of the following:

	2022	2021
Deferred tax assets		
Allowance for doubtful accounts	$ 238	$ 186
Inventories	825	762
Accrued expenses	2,970	2,814
Stock compensation	1,631	1,119
Interest expense	13,203	12,523
Interest rate collar	(2,918)	1,984
Unrealized exchange rate loss on intercompany note	-	260
Tax deductible transaction costs	4,360	4,760
Net operating losses	3,046	4,781
Less: Valuation allowance on net operating losses	(2,628)	(4,568)
Tax credits	4,161	3,149
Less: Valuation allowance on tax credits	(4,161)	(3,149)
Total deferred tax assets	20,727	24,621
Deferred tax liabilities		
Goodwill and intangible assets	(89,007)	(103,901)
Property, plant and equipment	(8,241)	(7,964)
Withholding tax on future foreign earnings repatriation	(1,986)	(2,202)
Other	(111)	(148)
Total deferred tax liabilities	(99,345)	(114,215)
Net deferred tax liabilities	$ (78,618)	$ (89,594)

(dollars in thousands, except per unit information)

Income before income taxes are as follows:

	Years Ended September 30, 2022	Years Ended September 30, 2021
United States	$ 66,552	$ (14,652)
Foreign	24,685	46,765
	$ 91,237	$ 32,113

The Company has net operating loss carryforwards and deferred tax assets which can be used to offset future U.S. federal and state and foreign income tax liabilities. At September 30, 2022, the tax effected net operating losses total $0, $396 and $2,650 for federal, state and foreign purposes, respectively. The Company has a tax effected deferred tax asset of $13,203 for the currently nondeductible interest expense. The Company has carryforwards of $4,161 of tax effected federal and state credits which can be used to offset future U.S. tax liabilities. These credits generally begin expiring in 2030.

The Company considers both positive and negative evidence in determining whether a valuation allowance is required. The Company has provided valuation allowances against net operating loss carryforwards in the UK, Germany, Brazil and China and foreign tax credit carryforwards as their utilization is uncertain.

The Company was under audit for the 2019 federal return as a result of the net operating loss carryback claim that was filed. No adjustments were made by the IRS agent. As of the date of the financial statements, the audit results are with the Joint Committee for approval. The Company has not been notified of any additional audits through the date our consolidated financial statements were available to be issued. The Company is potentially subject to income tax examinations for the fiscal years 2020, 2021 and 2022.

The Company recognizes the financial statement effect of a tax position when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. The total unrecognized tax benefit recorded at September 30, 2022 is $1,058.

7. Commitments and Contingencies

The Company leases various premises and certain equipment under operating leases that expire through 2039. The following is a schedule of minimum lease payments under such operating leases at September 30, 2022:

2023	$ 3,852
2024	3,084
2025	4,123
2026	1,975
2027	1,936
Thereafter	13,697
Total minimum lease payments	$ 28,667

(dollars in thousands, except per unit information)

Rent expense during the years ended September 30, 2022 and 2021 was $4,688 and $4,612, respectively. Rent expense under noncancellable operating leases with scheduled rent increases is accounted for on a straight-line basis over the lease term, beginning on the date of initial possession.

Litigation
The Company is involved in various legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's financial position, results of operations or cash flows.

8. Unit Option Plan

The Company has a 2018 Unit Option Plan (the "Plan") under which service-based and performance-based options to purchase class A units of the Company may be awarded to employees. The Plan has a change of control provision, whereby both the service-based and performance-based options vest immediately upon a change of control transaction, as defined in the Plan. A total of 535,700 units of the Company's class A units have been reserved for issuance under the Plan. Units supporting option exercises are sourced from new unit issuances. The exercise price is based upon the fair value of the units on the date of grant as determined by the Board of Directors, and all options have a 10-year contractual life. Service-based options become exercisable at a rate of 20.00% annually for five years starting on the first anniversary of the date of grant. The vesting of performance-based options is contingent upon continuous employment and achieving certain returns on investment upon a change of control, sale or liquidation of the Company. An employee's unvested options are forfeited when employment is terminated. At September 30, 2022 there were 489,385 options outstanding under this plan, 220,265 of which were service-based and 269,120 of which were performance based.

Unit option activity for the periods was as follows:

	Options		Weighted Average Exercise Price
	Available	Outstanding	Per Share
Balances at September 30, 2020	17,347	518,353	$ 100.00
Granted	(37,562)	37,562	136.55
Exercised	6,000	(6,000)	100.00
Expired	-	-	-
Forfeited	71,710	(71,710)	100.00
Balances at September 30, 2021	57,495	478,205	102.87
Granted	(37,300)	37,300	208.21
Exercised	13,750	(13,750)	100.00
Expired	-	-	-
Forfeited	12,370	(12,370)	100.68
Balances at September 30, 2022	46,315	489,385	$ 90.88
Options exercisable at September 30, 2022	-	105,295	$ 90.05

At September 30, 2022 the outstanding options had exercise prices of $79.40 - $290.23 per unit and a weighted average remaining contractual life of 7.17 years. The weighted average remaining

(dollars in thousands, except per unit information)

contractual life on currently exercisable options was 6.84 years at September 30, 2022. The aggregate intrinsic value of a unit award is the amount by which the market value of the underlying unit exceeds the exercise price of the award. The aggregate intrinsic value for outstanding options at September 30, 2022 and 2021 was $55,056 and $48,360, respectively. The aggregate intrinsic value for exercisable options was $27,042 and $8,266 at September 30, 2022 and 2021, respectively.

The estimated fair value of options is recognized on a straight-line basis over the service period for service-based option grants. During the years ended September 30, 2022 and 2021, the Company recognized $2,715 and $1,727, respectively, of unit-based compensation expense. Unit compensation expense was included in selling, general and administrative expenses in the consolidated statements of operations related to the service-based options. At September 30, 2022 and 2021, the unrecognized compensation costs related to the service-based options was $4,690 and $5,319, respectively, and unrecognized compensation costs related to the performance-based options was $9,016 and $8,412, respectively.

9. Employee Benefit Plans

The Company has a 401(k) and other benefit plans covering substantially all full-time U.S. employees and certain foreign employees. Under certain plans, the Company makes a matching contribution equal to 50% of the participant's contribution, up to specified maximum amounts. In addition, the Company may elect to contribute an additional amount to the plans at the discretion of the Company's Board of Directors. Expense related to the plans for the years ended September 30, 2022 and 2021 was $1,614 and $1,024, respectively.

10. Other Related Party Transactions

The Company has a management advisory agreement with American Securities LLC ("American Securities"), which is a related party. The agreement requires an annual management fee of $2,000 per year for management services provided, plus certain fees and expenses. Expense under the management agreement was $2,039 and $2,254 for the years ended September 30, 2022 and 2021, respectively. The Company had $0 unpaid management fees and expenses accrued as of September 30, 2022 and 2021, respectively.

pwc

Report of Independent Auditors

To the Board of Directors and Management of
ASP CPM Holdings LLC

We have audited the consolidated financial statements of ASP CPM Holdings LLC and its subsidiaries (the "Company") as of and for the years ended September 30, 2022 and 2021 and have issued our report thereon dated January 13, 2023, which included an unmodified opinion on those consolidated financial statements. That audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary consolidating information as of and for the year ended September 30, 2022 (the "supplemental information") is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The consolidating information is not intended to present, and we do not express an opinion on, the financial position, results of operations and cash flows of the individual companies. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

PricewaterhouseCoopers LLP

January 13, 2023

ASP CPM Holdings LLC and Subsidiaries
Consolidating Balance Sheet
September 30, 2022

(dollars in thousands, except per unit information)	Americas	Europe	Asia/Pacific	Corporate	Elimination	Consolidated
Assets						
Current assets						
Cash and cash equivalents	$ 14,212	$ 16,922	$ 15,027	$ 130,766	$ -	$ 176,927
Restricted customer deposits	-	326	2,178	-	-	2,504
Accounts receivable, net	48,142	28,574	9,606	-	-	86,322
Inventories	60,442	23,027	17,991	-	-	101,460
Contract assets	14,285	9,375	2,701	-	-	26,361
Prepaid expenses and other current assets	11,901	9,135	7,396	1,528	-	29,960
Total current assets	148,982	87,359	54,899	132,294	-	423,534
Investment in subsidiary	-	245	-	238,725	(238,970)	-
Property, plant and equipment, net	31,159	4,157	4,022	10,797	-	50,135
Goodwill	2,652	4,120	-	557,638		564,410
Other intangibles, net	-	-	1,710	378,728	-	380,438
Other assets	-	-	-	12,977	-	12,977
Deferred taxes	-	-	49	159	-	208
Total assets	$ 182,793	$ 95,881	$ 60,680	$ 1,331,318	$ (238,970)	$ 1,431,702
Liabilities and Members' Equity						
Current liabilities						
Current portion of long-term debt	$ 78	$ -	$ -	$ 5,323	$ -	$ 5,401
Accounts payable	42,076	14,799	19,928	868	-	77,671
Accrued expenses	40,873	4,147	4,822	(5,830)	-	44,012
Customer progress payments	34,460	18,162	10,136	-	-	62,758
Contract liabilities	149,521	8,681	6,217	-	-	164,419
Total current liabilities	267,008	45,789	41,103	361	-	354,261
Intercompany payable/receivable	(871,261)	141,077	(1,172)	731,356	-	-
Long-term debt, less current portion	1,835	-	-	652,718	-	654,553
Deferred taxes	-	964	190	77,672	-	78,826
Other liabilities	477	1	3	4,278		4,759
Total liabilities	(601,941)	187,831	40,124	1,466,385	-	1,092,399
Commitments and contingencies						
Members' equity						
Members investment	561,381	47,759	(34,308)	157,222	(238,970)	493,084
Retained earnings (accumulated deficit)	228,693	(120,900)	52,314	(242,293)	-	(82,186)
Accumulated other comprehensive income (loss)	(5,340)	(18,809)	2,550	(49,996)	-	(71,595)
Total members' equity	784,734	(91,950)	20,556	(135,067)	(238,970)	339,303
Total liabilities and members' equity	$ 182,793	$ 95,881	$ 60,680	$ 1,331,318	$ (238,970)	$ 1,431,702

ASP CPM Holdings LLC and Subsidiaries
Consolidating Statement of Operations
Year Ended September 30, 2022

(dollars in thousands)	Americas	Europe	Asia/Pacific	Corporate	Elimination	Consolidated
Net sales	$ 408,357	$ 177,205	$ 84,626	$ -	$ -	$ 670,188
Cost of goods sold	240,165	121,009	49,369	903	-	411,446
Gross profit	168,192	56,196	35,257	(903)	-	258,742
Operating expenses						
Selling, general and administrative expenses	42,191	28,311	9,783	20,389	-	100,674
Amortization expense	-	2	41	43,624	-	43,667
Management fees	-	-	-	2,039	-	2,039
Total operating expenses	42,191	28,313	9,824	66,052	-	146,380
Income (loss) from operations	126,001	27,883	25,433	(66,955)	-	112,362
Other expense (income)						
Interest expense	99	316	13	21,635	-	22,063
Interest income	(235)	-	(215)	(488)	-	(938)
Intercompany interest	-	1,706	-	(1,706)	-	-
Intercompany royalties and service charges	(931)	14,618	12,834	(26,521)	-	-
Total other expense (income)	(1,067)	16,640	12,632	(7,080)	-	21,125
Income (loss) before income taxes	127,068	11,243	12,801	(59,875)	-	91,237
Income tax expense (benefit)	25,931	1,329	3,806	(18,903)	-	12,163
Net income (loss)	$ 101,137	$ 9,914	$ 8,995	$ (40,972)	$ -	$ 79,074

ASP CPM Holdings LLC and Subsidiaries
Note to Supplementary Consolidating Information
September 30, 2022

Principles of Consolidation

The accompanying supplementary consolidating information has been prepared to disclose the Company's financial information by geography. The first column, "Americas" represents the information of business units located in North America and South America including CPM US, Bliss, Beta Raven, Century Extrusion, Wolverine Proctor US, TSA Griddle, Crown Iron Works, Crown Iron Technologias, CPM Argentina and certain nonoperating holding companies organized in the United States. The second column, "Europe" represents the information of business units located in Europe including CPM Europe, Di Piu, D&G Electrical Engineering, Extricom Extrusion, Wolverine Proctor UK, Planet Dryers, Greenbank Technology, Proline Engineering, Europa Crown, Sket and certain nonoperating holding companies organized in Europe. The third column, "Asia/Pacific" represents the information of business units located in the Asia/Pacific region including CPM Singapore, CPM China, Ruiya Extrusion, Wolverine Proctor China and Crown Asia Engineering. The fourth column, "Corporate" represent transactions recorded in the corporate entities and holding companies which includes global goodwill, intangible assets, the related amortization expense and deferred taxes, and other purchase accounting fair value adjustments related to the acquisition of the Company by American Securities. The fifth column, "Elimination" represents eliminating adjustments, including those related to the accounting for investment in subsidiaries included in the first three columns. Intercompany sales, interest, royalties and service charge income and expense on the consolidating statement of operations and intercompany payables and receivables on the consolidating balance sheet are included on the same row of the consolidating schedules, therefore there is no activity in the "Elimination" column for these transactions. The sixth column, "Consolidated," represents the total of the first five columns and agrees to the consolidated financial statements of ASP CPM Holdings LLC and Subsidiaries.

Other than as described above, the supplementary consolidating information is prepared in accordance with accounting policies described in the accompanying notes to the consolidated financial statements. These schedules are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America as a result of the exclusion of all required disclosures.