# Tata Chemicals Soda Ash Partners LLC and Subsidiary

## Consolidated Financial Statements and Independent Auditors’ Report March 31, 2024 and 2023

# Tata Chemicals Soda Ash Partners LLC and Subsidiary
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## March 31, 2024 and 2023

KPMG LLP
Suite 1500
15 W. South Temple
Salt Lake City, UT 84101

# Independent Auditors' Report

The Member
Tata Chemicals Soda Ash Partners LLC:

*Opinion*

We have audited the consolidated financial statements of Tata Chemicals Soda Ash Partners LLC and its subsidiary (the Company), which comprise the consolidated balance sheets as of March 31, 2024 and 2023, and the related consolidated statements of income, comprehensive income, changes in Partnership and Member's equity, and cash flows for the years then ended, and the related notes to 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 March 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

*Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Responsibilities of Management for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, 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 that the consolidated financial statements are available to be issued.

*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 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 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.

KPMG LLP

Salt Lake City, Utah
May 24, 2024

# Tata Chemicals Soda Ash Partners LLC and Subsidiary
## Consolidated Statements of Income
## For the Years Ended March 31, 2024 and 2023

| *(In thousands)* | 2024 | 2023 |
|---|---|---|
| Net revenues | $ 646,795 | $ 651,419 |
| Cost of revenues - excluding depreciation and amortization | 486,723 | 468,269 |
| Cost of revenues - depreciation and amortization | 30,660 | 31,058 |
| Total cost of revenues | 517,383 | 499,327 |
| Selling, general and administrative expense | 47,626 | 36,283 |
| Loss on disposition of long lived assets | 150 | 41 |
| Operating income | 81,636 | 115,768 |
| Interest expense (income), net | (793) | (452) |
| Other expense, net | 1,410 | 1,182 |
| Income before tax | 81,019 | 115,038 |
| Income tax benefit | (4,872) | - |
| Net income | 85,891 | 115,038 |
| Net income attributable to noncontrolling interest | 11,846 | 8,855 |
| Net income attributable to Tata Chemicals Soda Ash Partners LLC and subsidiary | $ 74,045 | $ 106,183 |

See notes to consolidated financial statements.

## Tata Chemicals Soda Ash Partners LLC and Subsidiary
### Consolidated Statements of Comprehensive Income
### For the Years Ended March 31, 2024 and 2023

| *(in thousands)* | 2024 | 2023 |
|---|---|---|
| Net income | $ 85,891 | $ 115,038 |
| Other comprehensive income, net of tax expense | | |
| Defined benefit plan and other adjustments, net of tax of $(2,067) and $0 | 8,008 | 7,073 |
| Unrealized gain (loss) on natural gas hedge, net of tax $(356) and $0 | 1,738 | (19,723) |
| Other comprehensive income (loss) | 9,746 | (12,650) |
| Net comprehensive income | 95,637 | 102,388 |
| Less: Net comprehensive income attributable to the noncontrolling interest | 11,846 | 8,855 |
| Net comprehensive income attributable to Tata Chemicals Soda Ash Partners LLC and subsidiary | $ 83,791 | $ 93,533 |

See notes to consolidated financial statements.

# Tata Chemicals Soda Ash Partners LLC and Subsidiary
## Consolidated Balance Sheets
## As of March 31, 2024 and 2023

| *(In thousands)* | 2024 | 2023 |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Cash and cash equivalents | $ 27,825 | $ 31,097 |
| Receivables, net of allowance for credit losses of $885 (2024) and allowance for doubtful accounts (2023) of $485 | 86,216 | 162,303 |
| Receivables due from related party | 9,189 | - |
| Inventories | 36,539 | 21,066 |
| Prepaid expenses and other current assets | 12,528 | 10,093 |
| Total current assets | 172,297 | 224,559 |
| Property, plant and equipment—net | 283,457 | 244,379 |
| Deferred tax assets, net | 8,652 | - |
| Other assets | 18,234 | 16,503 |
| Total assets | $ 482,640 | $ 485,441 |
| **Liabilities** | | |
| Current liabilities | | |
| Accounts payable | $ 62,159 | $ 52,102 |
| Payables due to related parties | - | 36,351 |
| Income taxes payable | 6,202 | - |
| Current portion of finance lease obligation | 7,616 | 4,672 |
| Accrued liabilities | 31,695 | 35,071 |
| Total current liabilities | 107,672 | 128,196 |
| Finance lease obligation, net of current portion | 14,952 | 3,890 |
| Long-term liabilities | 78,666 | 85,796 |
| Total liabilities | 201,290 | 217,882 |
| **Partnership and Member's Equity** | | |
| Accumulated other comprehensive loss | (13,793) | (23,539) |
| Accumulated earnings | 295,143 | 291,098 |
| Total equity | 281,350 | 267,559 |
| Total liabilities and equity | $ 482,640 | $ 485,441 |

See notes to consolidated financial statements.

# Tata Chemicals Soda Ash Partners LLC and Subsidiary
## Consolidated Statements of Cash Flows
## For the Years Ended March 31, 2024 and 2023

| *(In thousands)* | 2024 | 2023 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net income | $ 85,891 | $ 115,072 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation | 30,660 | 31,029 |
| Allowance for credit losses (2023 - allowance for doubtful accounts) | 400 | 295 |
| Deferred tax provision | (11,075) | - |
| Loss on disposal of assets | 150 | 36 |
| Accretion of asset retirement obligation | 1,327 | 1,221 |
| Changes in assets and liabilities: | | |
| Decrease (increase) in receivables | 75,687 | (60,964) |
| (Increase) in receivables from related parties | (9,189) | (23,901) |
| (Increase) decrease in inventories | (15,473) | 3,725 |
| Increase (decrease) in income taxes payable | 6,202 | - |
| Increase in accounts payable | 10,556 | 13,738 |
| (Decrease) increase in payables to related parties | (36,351) | 33,185 |
| (Decrease) in accrued liabilities | (1,282) | (2,117) |
| Increase in long-term liabilities | 1,617 | 9,379 |
| (Increase) decrease in prepaid expenses and other current and non-current assets | (4,165) | (3,097) |
| Net cash provided by operating activities | 134,955 | 117,601 |
| **Cash flows used in investing activities** | | |
| Capital expenditures | (48,912) | (33,303) |
| Net cash used in investing activities | (48,912) | (33,303) |
| **Cash flows used in financing activities** | | |
| Repayments of financial lease obligations | (7,469) | (7,724) |
| Distributions | (70,000) | (83,500) |
| Distributions to noncontrolling interest | (11,846) | (8,855) |
| Net cash used in financing activities | (89,315) | (100,079) |
| Net change in cash and cash equivalents | (3,272) | (15,781) |
| **Cash and cash equivalents** | | |
| Beginning of year | 31,097 | 46,878 |
| End of year | $ 27,825 | $ 31,097 |
| **Supplemental disclosure of cash flow information** | | |
| Interest paid during the year | $ 1,175 | $ 708 |
| **Non-cash investing and financing activities** | | |
| Accounts payable and accrued liabilities incurred to acquire property and equipment | $ 10,365 | $ 10,864 |
| Assets obtained in exchange for lease obligation | $ 21,581 | $ 7,078 |
| Reductions to assets resulting from retirement of lease obligations | $ (119) | $ (69) |
| Distribution declared, not yet paid | $ - | $ (27,833) |
| Change in estimate of asset retirement obligation | $ - | $ 841 |

## Tata Chemicals Soda Ash Partners LLC and Subsidiary
### Consolidated Statements of Changes in Partnership and Member's Equity
### For the Years Ended March 31, 2024 and 2023

| *(In thousands)* | Accumulated Other Comprehensive Loss | Accumulated Earnings | Noncontrolling Interest | Partnership and Member's Equity |
|---|---|---|---|---|
| **Balance—March 31, 2022** | (10,889) | 296,248 | - | 285,359 |
| Net income | - | 106,183 | 8,855 | 115,038 |
| Distributions | - | (111,333) | - | (111,333) |
| Distribution to noncontrolling interest | - | - | (8,855) | (8,855) |
| Other comprehensive income | (12,650) | - | - | (12,650) |
| **Balance—March 31, 2023** | (23,539) | 291,098 | - | 267,559 |
| Net income | - | 74,045 | 11,846 | 85,891 |
| Distributions | - | (70,000) | - | (70,000) |
| Distribution to noncontrolling interest | - | - | (11,846) | (11,846) |
| Other comprehensive income | 9,746 | - | - | 9,746 |
| **Balance—March 31, 2024** | $ (13,793) | $ 295,143 | $ - | $ 281,350 |

## Tata Chemicals Soda Ash Partners LLC and Subsidiary
### Notes to Consolidated Financial Statements
### For the Years Ended March 31, 2024 and 2023

**1. Description of Business**

Effective April 1, 2023, Tata Chemicals (Soda Ash) Partners (collectively, “TCSAP” or the “Company”), converted from a Partnership to a Limited Liability Company (LLC), with the company name also changing to Tata Chemicals Soda Ash Partners LLC. In a series of related legal entity restructuring changes occurring between April 3 and May 31, 2023, the Company’s owners, TC (Soda Ash) Partners Holdings (“TCSAP Holdings”) and TCSAP LLC were merged into TCSAP, with the latter surviving. In a related legal entity restructuring, on May 31, 2023, TCSAP Holding’s 25% owner, Valley Holdings Inc, was merged with the Company’s 75% owner, Tata Chemicals North America Inc. (“TCNA”), with the latter surviving (collectively, the “Reorganization”). As a result of the Reorganization, TCSAP is now a wholly owned subsidiary of TCNA. The Company is a single member limited liability company with an indefinite life. The Company has only one class of membership interests where no member is obligated personally for any such debt, obligation, or liability of the Company solely by reason of being a member. In conjunction with its conversion from a Partnership to an LLC, the Company has elected to be taxed as a C Corporation.

The Company operates a facility in Green River, Wyoming for the purpose of mining and processing trona ore and selling the resulting finished product, soda ash. TCSAP supplies soda ash to a broad range of industrial customers primarily in the following markets: glass production, sodium-based chemicals, detergents, pulp and paper, and water treatment.

For the purposes of these consolidated financial statements, fiscal 2024 is defined as the twelve month year ended March 31, 2024 and fiscal 2023 is defined as the twelve month year ended March 31, 2023. As of March 31, 2024 and the related year ending is under the legal entity of an LLC. As of March 31, 2023 and the related year ending is under the legal entity of a Partnership.

**2. Summary of Significant Accounting Policies**

**Basis of Presentation**

These consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). The events described as the Reorganization in Note 1 were between entities under common control and recognized at their carrying amounts. Accordingly, these consolidated financial statements present the financial position, results of operations, and cash flows as though transactions had taken place at the beginning of the period. Additionally, as prior period comparative information is presented, the financial position, results of operations, and cash flows as of and for the year ended March 31, 2023 have been adjusted retrospectively. Furthermore, certain prior year balances have been reclassified to conform to current year presentation.

**Principles of Consolidation**

The accompanying consolidated financial statements reflect the results of operations, financial position and cash flows of the Company, including one consolidated subsidiary, ALCAD. The Company and Church & Dwight Co., Inc. (“C&D”) each have a 50% interest in ALCAD. The Company consolidates ALCAD as it has the ability to exercise control over the most significant activities of ALCAD, and thus has concluded the Company is the primary beneficiary of this variable interest entity (see Note 14). The portion of ALCAD that is not owned is reflected as a noncontrolling interest in the accompanying consolidated financial statements. All intercompany balances and transactions have been eliminated in consolidation.

The Company consolidates entities in which it has a controlling financial interest based on either the variable interest entity (VIE) or voting interest model. The Company is required to first apply the VIE model to determine whether it holds a variable interest in an entity, and if so, whether the entity is a VIE. If the Company determines it does not hold a variable interest in a VIE, it then applies the voting interest model. Under the voting interest model, the Company consolidates an entity when it holds a majority voting interest in an entity.

**Use of Estimates**

The preparation of consolidated financial statements in conformity with GAAP 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. Significant items subject to such estimates and assumptions include the useful lives of long-lived assets; allowance for credit losses (2023 – allowance for doubtful accounts); the valuation of deferred tax assets, derivatives, long-lived assets, inventory, and lease liabilities and right-of-use assets; and reserves for pension and postretirement obligations, asset retirement obligations and other contingencies. Actual results could differ from those estimates.

**Trade Accounts Receivables**

Accounts receivable are recorded at the invoiced amount and do not bear interest. Management periodically reviews customer's credit history and extends credit accordingly.

**Allowance for Credit Losses**

(*Policy applicable as of April 1, 2023*)

On April 1, 2023, the Company adopted the Current Expected Credit Losses (CECL) accounting standard under Topic 326 of the FASB Accounting Standards Codification. CECL requires estimated credit losses to be determined based on forward-looking methodology which incorporates the entire life of the asset, as compared to an incurred loss model, which was in effect for periods prior to 2024. CECL also requires that customer accounts be pooled based on similar risk characteristics such as geographic location or delinquency status. Accordingly, allowance for credit loss disclosures for 2024 are not necessarily comparable to prior periods. The Company records an allowance for credit losses based on historical experience, adjusted for current and reasonable and supportable forecasts of economic conditions and other pertinent factors affecting the Company's customers such as when it becomes aware of a specific customer's inability or unwillingness to meet its financial obligations. The Company estimates expected credit losses separately for domestic and foreign customers.

**Allowance for Doubtful Accounts**

(*Policy applicable as of March 31, 2023*)

The Company records a provision for estimated losses based upon historical experience. Additionally, the Company will establish a specific allowance for doubtful accounts when it becomes aware of a specific customer's inability or unwillingness to meet its financial obligations.

**Income Taxes**

As a result of the legal reorganization discussed above, the Company will be classified as an IRC Subchapter C corporation, generating a federal and state tax obligation at the entity level. Prior to this reorganization, the Company was classified as a partnership, which allowed for any federal and state tax obligation to flow through to the partners. Effective for the year ended March 31, 2024, the Company accounts for income taxes using the asset and liability method, under which the Company recognizes the amount of taxes payable or refundable for the current year and deferred tax assets and liabilities for the future tax consequences of events that have been recognized in the financial statements or tax returns. The effect of a change in tax rates and regulations is recognized in the consolidated statements of income in the year that includes the enactment date. Deferred tax assets and liabilities are measured using the enacted tax rates and laws expected to be in effect when the differences are expected to reverse based on provisions of enacted tax law. The Company evaluates the realization of deferred tax assets based on all available evidence and establish a valuation allowance to reduce deferred tax assets when it is more likely than not that they will not be realized.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records estimated interest and penalties related to unrecognized tax benefits, if any, as a component of the income tax provision.

The Company has analyzed the tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Company has determined that there is no tax liability resulting from unrecognized tax benefits related to uncertain income tax positions taken or expected to be taken on the tax return for the year ended March 31, 2024. Tax years subject to examination include 2020 forward for all tax returns.

(*Policy applicable for the year ended March 31, 2023*)

The consolidated financial statements contain no provision or liability for income taxes because the results of the Partnership's operations are included in the taxable income of its partners.

U.S. GAAP requires management to evaluate tax positions taken by the Partnership and recognize a tax liability if the Partnership has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Partnership has analyzed the tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Partnership has determined that there is no tax liability resulting from unrecognized tax benefits related to uncertain income tax positions taken or expected to be taken on the tax return for the year ended March 31, 2023. Tax years subject to examination include 2020 forward for all tax returns.

**Derivative Financial Instruments**

Derivative financial instruments are used to mitigate natural gas purchase—price exposure. Natural gas contracts are recorded on the balance sheet at fair value. These derivatives are accounted for by hedge accounting as a fair value hedge with unrealized gains and losses being held on the balance sheet in accumulated other comprehensive income and accrued liabilities. Realized gains and losses (if applicable) are recognized within cost of revenues in the period incurred. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the earnings effect of the hedged forecasted transactions. Hedges are tested for effectiveness at inception of the hedge as well as in subsequent periods. If it is determined that hedging instruments are no longer effective at offsetting changes in the underlying hedged item, then the changes in fair value of the derivative instrument would be recorded immediately in the consolidated statements of income in the same caption as the hedged item. The Company does not hold or issue derivative instruments for trading purposes.

**Royalties**

Trona reserves are mined pursuant to lease arrangements with various landowners. Such arrangements generally provide for royalty or severance tax payments based on the selling price of soda ash. Royalties and severance taxes are included as a component of cost of revenues.

**Cash and Cash Equivalents**

The Company's cash and cash equivalents include cash and short-term highly liquid investments with an original maturity of three months or less. The Company maintains cash and cash equivalents in bank deposit and money market accounts that may exceed federally insured limits. The financial institutions where the Company's cash and cash equivalents are held are generally highly rated. The Company has not experienced any losses in such accounts and believes it is not exposed to significant credit risk.

**Inventories**

Inventories are stated at the lower of cost or net realizable value, with cost being determined using the average cost method. Product inventory costs include depreciation, maintenance, labor, energy, material and factory overhead.

**Property, Plant and Equipment**

Property, plant and equipment are carried at cost, less accumulated depreciation. Plant and equipment under finance leases are stated at the present value of the lease payments less accumulated depreciation. Most property, plant and equipment are depreciated using the straight-line method, using estimated lives which range from 2 to 50 years. The mineral rights and certain machinery and equipment used for mining are depreciated using the units-of-production method. Leasehold improvements are amortized over the lesser of the useful life of the asset or term of the lease. Major additions and improvements are capitalized, while costs for minor replacements, maintenance and repairs that do not increase the functionality or useful life of an asset are expensed as incurred. Upon sale or retirement, the cost and related accumulated depreciation are eliminated from the respective accounts and any resulting gain or loss is recorded.

**Property, Plant, and Equipment useful lives**

| | |
|---|---|
| Land and improvements | 5 to 30 years |
| Buildings and leasehold improvements | 3 to 30 years |
| Machinery & Equipment | 2 to 20 years |
| Mines & quarries | 10 to 50 years |
| Machinery & Equipment - Leased | Set by lease agreement |
| Buildings - Leased | Set by lease agreement |

**Impairment of Long-Lived Assets**

Long-lived assets, such as property, plant, and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. The Company measures the recoverability of these assets by comparing the carrying amount of such asset or asset group to the future undiscounted cash flows it expects the asset or asset group to generate over the remaining useful life of the primary asset. If the carrying amount of the long-lived asset or asset group is not recoverable, an impairment is recognized in the event that the carrying amount of the long-lived assets exceeds the fair value. There were no events or changes in circumstances that indicated long-lived assets were impaired during the year ended March 31, 2024 and 2023.

**Asset Retirement Obligations**

The Company provides for the expected costs to be incurred for the eventual reclamation of properties pursuant to local laws. The Company accounts for its land reclamation liability as an asset retirement obligation, which requires that obligations associated with the retirement of a tangible long-lived asset be recorded as a liability when those obligations are incurred, with the amount of the liability initially measured at fair value. Upon recognizing a liability for an asset retirement obligation, an entity also capitalizes the cost of the reclamation by recognizing an increase in the carrying amount of the related long-lived asset. Over time, the liability is accreted to its future value each period, and the capitalized costs of the related long-lived assets are depreciated over their estimated useful lives. An entity ultimately either settles the obligation for its recorded amount or incurs a gain or loss upon settlement.

### Revenue Recognition

The Company's derives its revenues from the mining, processing, and sale of soda ash products. Revenues are recognized when the Company satisfies the performance obligation, under the terms of its contracts with customers, to transfer products to customers, which typically occurs at a point in time upon shipment of the products, and for an amount that reflects the transaction price that is allocated to the performance obligation.

The Company has applied the shipping and handling practical expedient to treat all shipping and handling activities as fulfillment activities as the Company views these costs as costs to fulfill the customers' orders. Fees for shipping and handling charged to customers for sales transactions are included in Net revenues on the consolidated statements of income. When control over products has transferred to the customer, the Company has elected to recognize costs related to shipping and handling as an expense.

The Company's payment terms vary by the type of customer and the products offered. The term between invoicing and due date is not significant.

Unit price is determined at the time of the purchase order and is generally established on a customer-by-customer basis annually.

### Employee Medical Benefits

The Company is self-insured for expenses relating to employee medical benefits. All employees have an option to participate in the Company's self-funded comprehensive medical care benefits program. The cost of medical care is paid out of employee and employer contributions. The Company has purchased stop-loss coverage in order to limit its exposure to significant individual medical claims. Self-insured medical costs are accrued based upon actuarial assumptions and the Company's historical experience.

### Environmental Matters

The Company is subject to extensive federal, state, and local environmental laws and regulations. These laws, which change frequently, regulate or propose to regulate the discharge of materials into the environment and may require the Company to remove or mitigate the environmental effects of the disposal or release of such substances. Environmental expenditures, which can include fines, penalties and certain corrective actions, are expensed or capitalized depending on their future economic benefit. Expenditures that relate to an existing condition caused by past operations and that have no future economic benefits are expensed. Liabilities for expenditures are recorded when remediation is probable, and the costs can be reasonably estimated.

### Noncontrolling Interest

The Company accounts for the noncontrolling interest in ALCAD as a component of equity in the consolidated financial statements.

**Leases**

The Company determines if an arrangement is, or contains, a lease at contract inception based on whether there is an identified asset and whether the Company has the right to control the use of the identified asset throughout the period of use. The Company recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date. For operating leases, the lease liability is initially and subsequently measured at the present value of the unpaid lease payments at the lease commencement date. For finance leases, the lease liability is initially measured in the same manner and date as for operating leases and is subsequently measured at amortized cost using the effective-interest method.

Key estimates and judgments include how the Company determines (1) the discount rate it uses to discount the unpaid lease payments to present value, (2) lease term, and (3) lease payments.
The Company discounts its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate. Generally, The Company cannot determine the interest rate implicit in the lease because it does not have access to the lessor's estimated residual value or the amount of the lessor's deferred initial direct costs. Therefore, the Company generally uses TCNA's incremental borrowing rate as the discount rate for the lease. The Company's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. Because the Company does not generally borrow on a collateralized basis, it uses the interest rate the Company's parent pays on its noncollateralized borrowings as an input to deriving an appropriate incremental borrowing rate, the lease term and the effect on that rate of designating specific collateral with a value equal to the unpaid lease payments for that lease.

The lease term for all of the Company's leases includes the noncancelable period of the lease plus any additional periods covered by either a Company option to extend (or not to terminate) the lease that the Company is reasonably certain to exercise, or an option to extend (or not to terminate) the lease controlled by the lessor.

Lease payments included in the measurement of the lease liability comprise of the following:

– Fixed payments, including in-substance fixed payments, owed over the lease term (which includes termination penalties the Company would owe if the Company exercised the lease termination option);
– Variable lease payments that depend on an index or rate, initially measured using the index or rate at the lease commencement date;
– Amounts expected to be payable under a Company-provided residual value guarantee; and
– The exercise price of a Company option to purchase the underlying asset if the Company is reasonably certain to exercise the option.

The right of use (ROU) asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred less any lease incentives received.

For operating leases, the ROU asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease expense is recognized on a straight-line basis over the lease term.

For finance leases, the ROU asset is subsequently amortized using the straight-line method from the lease commencement date to the earlier of the end of its useful life or the end of the lease term unless the lease transfers ownership of the underlying asset to the Company or the Company is reasonably certain to exercise an option to purchase the underlying asset. In those cases, the ROU asset is amortized over the useful life of the underlying asset. Amortization of the ROU asset is recognized and presented separately from interest expense on the lease liability.

Variable lease payments associated with the Company's leases are recognized when the event, activity, or circumstance in the lease agreement on which those payments are assessed occurs. Variable lease payments are presented as operating expense in the Company's consolidated statements of income in the same line item as expense arising from fixed lease payments (operating leases) or amortization of the ROU asset (finance leases).

ROU assets for operating and finance leases are periodically reduced by impairment losses and the Company evaluates the ROU asset for impairment loss using the same methodology as for long-lived assets.

The Company monitors for events or changes in circumstances that require a reassessment of one of its leases. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment is made to the carrying amount of the corresponding ROU asset unless doing so would reduce the carrying amount of the ROU asset to an amount less than zero. In that case, the amount of the adjustment that would result in a negative ROU asset balance is recorded in profit or loss.

Finance lease ROU assets are included in property, plant, and equipment. The current portion of finance lease liabilities is included in current portion of finance lease obligations and the long-term portion is included in finance lease obligation, net of current portion in the consolidated balance sheet.

The Company has elected not to recognize ROU assets and lease liabilities for short-term leases of equipment that have a lease term of 12 months or less. The Company recognizes the lease payments associated with its short-term equipment leases as an expense on the consolidated statements of income. Variable lease payments associated with these leases are recognized and presented in the same manner as for all other Company leases.

The Company has lease agreements with lease and non-lease components and has elected a practical expedient not to separate the lease and non-lease components for its leases for physical space and equipment and accounts for them as a single lease component.

**Recently Adopted Accounting Standards**

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses; Measurement of Credit Losses on Financial Instruments*, which requires a financial asset (or a group of financial assets) measured at amortized cost to be presented at the net amount expected to be collected. The ASU is intended to improve financial reporting by requiring earlier recognition of credit losses on certain financial assets including trade and financing receivables. The ASU replaces the current incurred loss impairment model that recognizes losses when a probable threshold is met with a requirement to recognize lifetime expected credit losses immediately when a financial asset is originated or purchased. Additionally, from 2016 through 2023, the FASB issued additional related ASUs that provide further guidance and clarification and become effective for the Company upon the adoption of ASU 2016-13.

The Company adopted ASU 2016-13 and its related ASUs (collectively referred to as Topic 326) effective April 1, 2023 using a modified retrospective transition approach. As a result, the Company was not required to adjust its comparative period financial information for effects of the standard or make the new required credit loss allowance disclosures for periods before the date of adoption. Prior period amounts continue to be presented in accordance with previously applicable GAAP. The effect of the adoption on the Company's financial statements was immaterial and, therefore, no cumulative effect adjustment to retained earnings, net of taxes or changes in the Company's balance sheet in respect of trade accounts receivable or deferred tax assets was recorded as of the effective date.

### 3. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in a principal or most advantageous market. The Company makes certain assumptions it believes that market participants would use in pricing assets or liabilities, including assumptions about risk, and the risks inherent in the inputs to valuation techniques. The credit risk of the Company and its counterparties is incorporated in the valuation of certain assets and liabilities through the use of credit reserves, the impact of which is immaterial for the years ended March 31, 2024 and 2023. The Company believes it uses valuation techniques that maximize the use of observable market-based inputs and minimize the use of unobservable inputs.

The Company uses a three-tier fair value hierarchy to classify and disclose all assets and liabilities measured at fair value on a recurring basis, as well as assets and liabilities measured at fair value on a non-recurring basis, in periods subsequent to their initial measurement. These tiers include:

- Level 1, defined as quoted market prices in active markets for identical assets or liabilities;
- Level 2, defined as inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, model-based valuation techniques for which all significant assumptions are observable in the market, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and
- Level 3, defined as unobservable inputs that are not corroborated by market data.

The following table presents the fair values for those assets and liabilities measured on a recurring basis as of March 31, 2024:

| | Fair Value Measurements | | |
|---|---|---|---|
| | Level 1 | Level 2 | Total |
| Assets—cash equivalents | $ 34,415 | $ - | $ 34,415 |
| Liabilities—natural gas forwards | - | (11,127) | (11,127) |

The following table presents the fair values for those assets and liabilities measured on a recurring basis as of March 31, 2023:

| | Fair Value Measurements | | |
|---|---|---|---|
| | Level 1 | Level 2 | Total |
| Assets—cash equivalents | $ 32,132 | $ - | $ 32,132 |
| Liabilities—natural gas forwards | $ - | $ (13,220) | (13,220) |

### Cash Equivalents

Cash equivalents shown in the fair value table are comprised of investments in money market funds. The fair values of the shares of these funds are based on observable market prices and, therefore, have been categorized as Level 1 in the fair value hierarchy.

### Natural Gas Forwards

The inputs used in valuing natural gas forwards are a regional basis forward price quoted by a third-party service and accordingly, the Company classifies these as Level 2.

## 4. Accumulated Other Comprehensive Loss

The following table sets forth the components of accumulated other comprehensive loss as of March 31, 2024 and 2023:

| | 2024 | 2023 |
|---|---|---|
| Pension and post retirement plan benefits, net of taxes | $ (2,310) | $ (10,318) |
| Natural gas hedges, net of taxes | (11,483) | (13,221) |
| Total accumulated other comprehensive loss | $ (13,793) | $ (23,539) |

## 5. Additional Financial Information

The summaries of selected balance sheet items as of March 31, 2024 and 2023 are as follows:

| | 2024 | 2023 |
|---|---|---|
| **Receivables** | | |
| Trade | $ 81,288 | $ 156,685 |
| Other | 5,813 | 6,103 |
| Allowance for credit losses | | |
| (2023 - Allowance for doubtful accounts) | (885) | (485) |
| | $ 86,216 | $ 162,303 |
| **Allowance for credit losses** | | |
| Balance at April 1 | $ (485) | $ (190) |
| Write-offs | - | - |
| Recoveries | - | - |
| Allowance for credit losses | | |
| (2023 - Allowance for doubful accounts) | (400) | (295) |
| Balance at March 31 | $ (885) | $ (485) |

The summaries of selected balance sheet items as of March 31, 2024 and 2023 continued from above:

| | 2024 | 2023 |
|---|---|---|
| **Inventories** | | |
| Raw materials - Trona | $ 14,971 | $ 18,145 |
| Work-in-process | 100 | 100 |
| Finished products | 21,468 | 2,821 |
| | $ 36,539 | $ 21,066 |
| **Other Assets** | | |
| Spare parts | 17,786 | 16,093 |
| Long-term deposit | 448 | 410 |
| | $ 18,234 | $ 16,503 |
| **Accrued Liabilities** | | |
| Wages, salaries, and benefits | $ 11,176 | $ 8,811 |
| Property, production and other taxes | 5,690 | 5,913 |
| Unrealized loss for natural gas futures | 11,127 | 13,220 |
| Other | 3,702 | 7,127 |
| | $ 31,695 | $ 35,071 |
| **Other Liabilities** | | |
| Accrued pension obligations | $ 31,337 | $ 38,635 |
| Accrued other post-retirement benefits | 9,207 | 10,051 |
| Asset retirement obligation | 28,961 | 27,634 |
| Accrued other | 9,161 | 9,476 |
| | $ 78,666 | $ 85,796 |

### 6. Property, Plant and Equipment, net

Property, plant and equipment, net as of March 31, 2024 and 2023 are comprised of the following:

| | 2024 | 2023 |
|---|---|---|
| Land and improvements | $ 73,348 | $ 69,058 |
| Buildings and leasehold improvements | 63,411 | 61,801 |
| Machinery and equipment | 421,054 | 396,022 |
| Construction-in-progress | 56,368 | 42,079 |
| Mines and quarries | 28,676 | 28,676 |
| Total gross owned assets | 642,857 | 597,636 |
| Less: Accumulated depreciation | 381,527 | 361,758 |
| Total net owned assets | 261,330 | 235,879 |
| Leased - Equipment | $ 41,523 | $ 30,488 |
| Less: Accumulated depreciation | 19,396 | 21,988 |
| Total net leased assets | 22,127 | 8,501 |
| Total net assets | $ 283,457 | $ 244,379 |

For the years ended March 31, 2024 and 2023, the Company recognized $22,812 and $23,337 of depreciation expense relating to owned assets, respectively. For the years ended March 31, 2024 and 2023, the Company recognized $7,848 and $7,722 of depreciation expense relating to leased assets, respectively.

### 7. Income Taxes

Income tax expense (benefit) for the year ended March 31, 2024 is summarized below:

| | 2024 |
|---|---|
| **Current** | |
| Federal | $ 5,920 |
| State | 282 |
| Total current | 6,202 |
| **Deferred** | |
| Federal | (10,594) |
| State | (481) |
| Total deferred | (11,075) |
| Total | $ (4,872) |

A summary of the components of deferred tax assets and liabilities is as follows:

| | 2024 |
|---|---|
| Pension and post retirement benefits | $ 8,960 |
| Nondeductible accruals | 1,333 |
| Lease liabilities | 228 |
| Other | 8,615 |
| Deferred tax assets | 19,136 |
| Depreciation | 9,103 |
| Right of use assets | 133 |
| Nondeductible accruals | 1,411 |
| Deferred tax liabilities | 10,647 |
| Net deferred tax asset | $ 8,489 |

For the year ended March 31, 2024 and 2023, the Company's effective income tax rate was lower than the statutory Federal income tax rate principally due to mineral depletion.

The Company files a consolidated U.S. federal income tax return. Additionally, as required by state and local tax law, the Company files various state and local tax returns in these jurisdictions on a consolidated or combined basis. Other state and local income tax returns are filed on a standalone basis.

The Company files income tax returns in the US federal jurisdictions and various states. With few exceptions, the Company is not subject to audit by taxing authorities for the fiscal years ended prior to March 31, 2020.

## 8. Commodity Forward Contracts

The Company enters into commodity forward contracts related to forecasted natural gas requirements that are used in the manufacturing process of its products, the objectives of which are to secure supply and limit the effects of fluctuations in the future market price paid for natural gas and in the related volatility in cash flows. The maturities of the contracts are timed to coincide with the expected usage of the gas.

The Company meets the requirements to account for its natural gas hedges under hedge accounting. For the years ending March 31, 2024 and March 31, 2023, the Company recorded an unrealized gain of $2,094 and an unrealized loss of $19,723, respectively, in the consolidated statements of comprehensive income. The 2024 and 2023 balance associated with the commodity forward contracts of $11,127 and $13,220 is included in accrued liabilities in the consolidated balance sheets as of March 31, 2024 and 2023, respectively. As of March 31, 2024, the notional amounts of the natural gas forward are $43,453 expiring in March 2027.

## 9. Pension Plans and Other Postretirement Benefits

The Company maintains two defined benefit pension plans covering substantially all employees hired prior to February 1, 2017. Salaried defined benefit plans were frozen to new entrants effective

September 6, 2016 and hourly defined benefit plans were frozen to new entrants effective July 1, 2017. All participating employees' annual postretirement pension benefits are determined by the employee's credited service and final average annual earnings with the Company. The Company's funding policy for both plans is to annually contribute the statutorily required minimum amount actuarially determined. The vesting requirement is five years. The Company also maintains several plans providing other postretirement benefits covering substantially all hourly and certain salaried employees hired prior to July 1, 2017 and February 1, 2017, respectively, these plans also not being available to new entrants after these dates. The Company recognizes actuarially determined liabilities for these benefits but funds these benefits on a pay-as-you-go basis. The accumulated benefit obligation for all defined benefit plans was $134,326 and $136,769 as of March 31, 2024 and 2023, respectively.

The Company recorded adjustments to other comprehensive income of $10,075 and $7,073 for the years ended March 31, 2024 and 2023, respectively. The Company's operating pension expenses are included in cost of revenues and the non-operating pension expenses are included in other expense, net. The components of net periodic benefit cost, change in benefit obligation, change in plan assets, and reconciliation of the funded status as of and for the years ended March 31, 2024 and 2023 are summarized in the table below:

| | Pension Benefits | | Other Postretirement Benefits | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Components of net periodic benefit cost** | | | | |
| Service cost | $ 3,607 | $ 4,552 | $ 121 | $ 157 |
| Operating expense | 3,607 | 4,552 | 121 | 157 |
| Interest cost | 7,327 | 6,457 | 528 | 430 |
| Expected return on plan assets | (7,101) | (6,631) | - | - |
| Prior service (credit) cost | 63 | 88 | (968) | (1,054) |
| Amortization of losses | - | 1,616 | - | 23 |
| Non-operating expense | 289 | 1,530 | (440) | (601) |
| Net periodic benefit cost | $ 3,896 | $ 6,082 | $ (319) | $ (444) |
| **Change in benefit obligation** | | | | |
| Benefit obligation—beginning of year | $ 145,020 | $ 169,159 | $10,720 | $ 11,654 |
| Service cost | 3,607 | 4,552 | 120 | 157 |
| Interest cost | 7,327 | 6,457 | 528 | 430 |
| Plan amendments | - | - | - | 918 |
| Actuarial loss (gain) | (6,909) | (26,881) | (992) | (1,929) |
| Benefits paid | (7,029) | (8,266) | (530) | (510) |
| Projected Benefit obligation—end of year | $ 142,016 | $ 145,021 | $ 9,846 | $ 10,720 |
| **Change in plan assets** | | | | |
| Fair value of assets—beginning of year | $ 106,386 | $ 128,594 | $ - | $ - |
| Actual return on plan assets | 9,853 | (14,534) | - | - |
| Employer contributions | 1,469 | 592 | 530 | 510 |
| Benefits paid | (7,029) | (8,266) | (530) | (510) |
| Fair value of assets—end of year | $ 110,679 | $ 106,386 | $ - | $ - |
| **Reconciliation of funded status** | | | | |
| Funded status | $ (31,337) | $ (38,635) | $ (9,846) | $(10,720) |
| Net liability amount recognized | $ (31,337) | $ (38,635) | $ (9,846) | $(10,720) |
| Net Liability amount recognized in current liabilities | $ - | $ - | $ (639) | $ (669) |
| Net Liability amount recognized in non-current liabilities | (31,337) | (38,635) | (9,846) | (10,720) |

The amounts recognized in accumulated other comprehensive loss accounts as of March 31, 2024 and 2023 are summarized below:

| | Pension Benefits | | Other Postretirement Benefits | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Prior service cost (credit) | $ 490 | $ 553 | $ (7,647) | $ (8,615) |
| Net actuarial (gain) loss | 8,757 | 18,419 | (1,357) | (364) |
| Total | $ 9,247 | $ 18,972 | $ (9,004) | $ (8,979) |

The amounts recognized in other comprehensive income during the years ended March 31, 2024 and 2023 are summarized below:

| | Pension Benefits | | Other Postretirement Benefits | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Net actuarial loss (gain) | $ (9,661) | $ (5,716) | $ (992) | $ (1,929) |
| Prior service cost (credit) | - | - | - | 918 |
| Amortization of: | | | | |
| Net actuarial gain (loss) | - | (1,616) | - | (23) |
| Prior service credit (cost) | (63) | (88) | 968 | 1,054 |
| Total recognized in other comprehensive income (loss) | $ (9,724) | $ (7,420) | $ (24) | $ 20 |

### Assumptions

The weighted-average assumptions used to determine the benefit obligation for the years ended March 31, 2024 and 2023 were as follows:

| | Pension Benefits | | Other Postretirement Benefits | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Discount rate | 5.39 % | 5.13 % | 5.37 % | 5.09 % |
| Rate of compensation increase | 5.30%–8.40% | 5.30%–8.40% | N/A | N/A |

The weighted-average assumptions used to determine net periodic benefit cost for the years ended March 31, 2024 and 2023 were as follows:

| | Pension Benefits | | Other Postretirement Benefits | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Discount rate | 5.13 % | 3.89 % | 5.09 % | 3.82 % |
| Expected long-term return on plan assets | 6.25 % | 5.75 % | N/A | N/A |
| Rate of compensation increase | 5.30%–8.40% | 5.30%–8.40% | N/A | N/A |

The discount rate for each plan is determined by discounting the plan's expected future benefit payments using a yield curve developed from high quality bonds as of the measurement date. The yield curve calculation matches the notional cash inflows or hypothetical bond portfolio with the expected benefit payments to arrive at an effective rate.

To determine the expected long-term rate of return on plan assets, the Company considers the current and expected asset allocation, as well as historical and expected returns on each plan asset class.

The dates used to measure plan assets and liabilities were March 31, 2024 and 2023, for all plans.

For healthy lives, the Company measured benefit obligation using the amounts-weighted rates from the Pri-2012 mortality study with blue- and white-collar adjustments by individual, projected generationally from 2012 with Scale MP-2021 as of March 31, 2024.

For surviving beneficiaries, the Company measured benefit obligations using the amounts-weighted contingent survivor rates from the Pri-2012 mortality study with blue- and white-collar adjustments by individual, projected generationally from 2012 with Scale MP-2021 as of March 31, 2024.

For disabled lives, the company measured benefit obligation using the amounts-weighted disabled retiree rates from the Pri-2012 mortality study, projected generationally from 2012 with Scale MP-2021 as of March 31, 2024.

**Plan Assets**

Pension plan assets are invested primarily in stocks, bonds, short-term securities, and cash equivalents. The assets of the Company's defined benefit pension plans are managed on a commingled basis in a master trust. The investment policy and allocation of the assets in the master trust were approved by the Company's investment committee, which has oversight responsibility for the Company's retirement plans.

The following details the asset categories including allocations for the pension plan as of March 31, 2024 and 2023:

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Actual Allocation | Target Allocation | Actual Allocation | Target Allocation |
| Asset Category | | | | |
| Equity Securities | 52 % | 51 % | 51 % | 51 % |
| Debt Securities | 43 % | 45 % | 44 % | 45 % |
| Other | 5 % | 4 % | 5 % | 4 % |

The pension fund assets are invested in accordance with the statement of investment policies and procedures adopted by the Company, which are reviewed annually. Pension fund assets are invested on a going-concern basis with the primary objective of providing reasonable rates of return consistent with available market opportunities, a quality standard of investment, and moderate levels of risk. The expected rate of return is expected to be 6.25% over rolling ten-year period. This expected rate of return is estimated upon an analysis of historical returns with consideration for the current economic environment.

**Contributions**

The Company expects to contribute $5,764 to its pension plan and $639 to its other postretirement benefit plans for the year ending March 31, 2024.

### Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

| | Pension Benefits | Other Benefits |
|---|---|---|
| **Years ending March 31,** | | |
| 2025 | $ 8,439 | $ 639 |
| 2026 | 8,779 | 652 |
| 2027 | 9,299 | 668 |
| 2028 | 9,467 | 678 |
| 2029 | 9,321 | 688 |
| 2030-2034 | 50,949 | 3,453 |

### Fair Values

The fair values of the Company's plan assets as of March 31, 2024, by asset category are as follows:

| | Level 1 | Level 2 | Total |
|---|---|---|---|
| **Asset Category:** | | | |
| Cash and cash equivalents | $ 28 | $ 1,365 | $ 1,394 |
| Fixed income securities | 11,547 | 35,776 | 47,323 |
| Preferred securities | - | 21 | 21 |
| Equity securities | 4,726 | 52,860 | 57,586 |
| Futures contracts | 39 | - | 39 |
| Real estate investments trusts | - | 4,315 | 4,315 |
| Total | $ 16,341 | $ 94,338 | $ 110,679 |

The fair values of the Company's plan assets as of March 31, 2023, by asset category are as follows:

| | Level 1 | Level 2 | Total |
|---|---|---|---|
| **Asset Category:** | | | |
| Cash and cash equivalents | $ 30 | $ 283 | $ 313 |
| Fixed income securities | 12,410 | 34,787 | 47,197 |
| Preferred securities | - | 17 | 17 |
| Equity securities | 4,232 | 50,300 | 54,532 |
| Futures contracts | 11 | - | 11 |
| Real estate investments trusts | - | 4,316 | 4,316 |
| Total | $ 16,683 | $ 89,703 | $ 106,386 |

### Valuation

Cash and cash equivalents are held in a commingled fund utilizing various underlying pricing sources.

Level one securities are valued using quoted prices in active markets for identical assets accessible to the company at the measurement date.

Level two fixed income securities are primarily valued using a market approach utilizing various underlying pricing sources and methodologies.

Level two equity securities and real estate investment trusts are valued using a market approach based on quoted market prices for similar instruments.

Private equity investments for which readily determinable prices do not exist are valued using either the market or income approach by the general partner. In establishing the estimated fair value, the following are taken into consideration: a reasonable time for liquidation of the investment, the financial condition and operating results of the underlying portfolio company, the nature of the investment, restriction on marketability, market conditions and other factors the general partner deems appropriate.

**Other Defined Contribution Plans**

The Company also sponsors defined contribution retirement savings plans. Participation in one of these plans is available to substantially all represented and non-represented employees. The Company matches employee contributions up to certain predefined limits for non-represented employees based upon eligible compensation and the employee’s contribution rate. The Company’s contribution to these plans was $2,157 and $1,219 for the years ended March 31, 2024 and 2023, respectively.

### 10. Asset Retirement Obligation

The Company provides for the expected costs to be incurred for the eventual reclamation of mining properties pursuant to local law. All estimates are determined by a third-party contractor who specializes in mine closure evaluations. Included in long-term liabilities as of March 31, 2024 and 2023 were $28,961 and $27,634, respectively, related to these asset retirement obligations. Changes in the carrying amounts of the asset retirement obligation were as follows:

| | 2024 | 2023 |
|---|---|---|
| Balance - beginning of year | $ 27,634 | $ 25,572 |
| Change in estimate | - | 841 |
| Accretion expense | 1,327 | 1,221 |
| Balance - end of year | $ 28,961 | $ 27,634 |

### 11. Leases

The Company is obligated under finance leases that expire at various dates in the future.

The following table provides the lease costs for the years ended March 31, 2024 and 2023:

| | 2024 | 2023 |
|---|---|---|
| Finance lease cost | | |
| Amortization of leased assets | $ 7,848 | $ 7,722 |
| Interest on lease liabilities | 1,174 | 406 |
| Total finance lease cost | $ 9,022 | $ 8,128 |
| | | |
| Expensed lease cost | $ 4,350 | $ 2,659 |
| Total lease cost | $ 13,372 | $ 10,787 |

Short-term lease cost and variable lease cost is not material to the financial statements as of March 31, 2024, and 2023. Amounts reported in the consolidated balance sheet as of March 31, 2024 and 2023 were as follows:

| | 2024 | 2023 |
|---|---|---|
| Finance leases | | |
| Leased assets | $ 41,523 | $ 30,488 |
| Accumulated amortization | (19,396) | (21,987) |
| Property, plant and equipment, net | $ 22,127 | $ 8,501 |
| | | |
| Current portion of lease liabilities | $ 7,616 | $ 4,672 |
| Long-term portion of lease liabilities | 14,952 | 3,890 |
| Total finance lease liabilities | $ 22,568 | $ 8,562 |

Other information related to leases as of March 31, 2024 and 2023 was as follows:

Weighted average incremental borrowing rates for the finance leases was 5.24% and 3.92%, for March 31 2024 and 2023, respectively. Weighted average remaining lease term for the finance leases is approximately 31 months and 24 months, for March 31 2024 and 2023, respectively.

Future minimum rental payments for leases (primarily for transportation equipment, mining equipment, and warehouses) as of March 31, 2024 are as follows:

| Years ending March 31, | Finance Leases |
|---|---|
| 2025 | $ 8,677 |
| 2026 | 5,356 |
| 2027 | 5,083 |
| 2028 | 4,879 |
| 2029 | 1,298 |
| Total minimum payments | $ 25,293 |
| Less imputed interest | (2,725) |
| Total | $ 22,568 |

## 12. Commitments and Contingencies

The Company is involved in certain claims, litigation, administrative proceedings and investigations relative to environmental and other matters. Although the amount of any ultimate liability which could arise with respect to these matters cannot be accurately predicted, it is the opinion of management, based upon currently available information and the accruals established that any such liability will not have a material adverse effect on the Company's financial condition, results of operations or cash flows.

## 13. Variable Interest Entity (VIE)

The consolidated financial statements include a VIE, ALCAD, for which the Company is the primary beneficiary.

ALCAD is an equally-owned joint venture between the Company and C&D (collectively, the "Partners"). The significant activities of ALCAD include (a) managing trona reserves dedicated to it by the Partners, (b) extraction of trona for conversion into soda ash (which ALCAD has outsourced to the Company) and (c) distribution of soda ash exclusively to C&D. The Company was determined to be the primary beneficiary of ALCAD as it has control over all significant activities of ALCAD. The Company has the obligation to absorb losses and the right to receive benefits from ALCAD that could be significant to ALCAD.

During the years ended March 31, 2024 and 2023, this VIE earned income of $23,692 and $17,710, respectively, under the contractual arrangements between the Partners, 50% of which was recorded as net income attributable to noncontrolling interests in the consolidated statements of income.

The liabilities recognized as a result of consolidating the VIE do not necessarily represent additional claims on the general assets of the Company outside of the VIE; rather, they represent claims against the specific assets of the consolidated VIE. Conversely, assets recognized as a result of consolidating the VIE do not necessarily represent additional assets that could be used to satisfy claims against the Company's general assets. There are no restrictions on the VIE assets that are reported in the Company's general assets. The accounts receivable of $6,533 and $6,649 are recorded in receivables as of March 31, 2024 and 2023, respectively. The liabilities not eliminated in consolidation of $724 and $716 are recorded in accrued liabilities as of March 31, 2024 and 2023, respectively.

## 14. Related-Party Transactions

### Service Agreement

The Company has a service agreement under which TCNA provides certain management and administrative services to the Company. The cost of such services allocated to the Company for the years ended March 31, 2024 and 2023 was $36,934 and $24,577, respectively.

### Other

TCNA pays for various expenses on behalf of the Company, including administration and management expenses, which are billed to the Company and creates a payable of $4,257 and $61,865 for the years ended March 31, 2024 and 2023, respectively. TSAP declared dividends in 2023 which resulted in a payable balance of $27,833 to VHI for the year ended March 31, 2023. The payable balance was transferred to TCNA upon completion of the Reorganization. The Company also pays for various expenses on behalf of TCNA and is then reimbursed, which creates an additional receivable of $13,446 and $25,514 for the years ended March 31, 2024 and 2023. Consequently, for the years ended March 31, 2024 and 2023, there is a net amount due from related parties of $9,189 and payable to related parties of $36,351, respectively that is recorded in payables due to / from related party on the consolidated balance sheet. As the related parties are all within the TCNA consolidated group, management has the intent and ability to offset the receivables and payables. Consequently, the Company has presented these balances on a net basis on the consolidated balance sheet. These payable and receivable balances are summarized in the table below.

| Year Ended March 31, 2024 | TCNA |
|---|---|
| Accounts payable | (4,257) |
| Accounts receivable | 13,446 |
| Receivables due from related party | $ 9,189 |

| Year Ended March 31, 2023 | TCNA |
|---|---|
| Accounts payable | (61,865) |
| Accounts receivable | 25,514 |
| Payables due to related parties | $(36,351) |

In the ordinary course of business, the Company sells soda ash to Tata Chemicals Limited (“TCL”), TCNA’s ultimate parent, and its subsidiaries. During the years ended March 31, 2024 and 2023, the sales to TCL and its subsidiaries, amounted to $7,807 and $0, respectively. Additionally, during the years ended March 31, 2024 and 2023 there were no reimbursements of costs from TCL and subsidiaries or accounts payable.

## 15. Subsequent Events

The Company has evaluated subsequent events, and the impact on the reported results and disclosures, through May 24, 2024 which is the date these consolidated financial statements were available to be issued and determined no other items to disclose.