

# **Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines**

## **Burnham Holdings, Inc.**

1241 Harrisburg Pike  
Lancaster, PA 17603  
717-390-7800  
www.burnhamholdings.com  
nribich@burnhamholdings.com  
SIC Code: 6719

## **Quarterly Report**

**For the period ending July 2, 2023 (the “Reporting Period”)**

### **Outstanding Shares**

The number of shares outstanding of our Common Stock was:

4,628,677 as of July 2, 2023

4,606,381 as of December 31, 2022

### **Shell Status**

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes:  No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes:  No:

### **Change in Control**

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

Yes:  No:

### **1) Name and address(es) of the issuer and its predecessors (if any)**

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

Burnham Holdings, Inc.

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The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Delaware – 12/02/2002 - Active

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

The address(es) of the issuer's principal executive office:

1241 Harrisburg Pike, Lancaster, PA 17603

The address(es) of the issuer's principal place of business:

*Check if principal executive office and principal place of business are the same address:*

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No:  Yes:  If Yes, provide additional details below:

## 2) Security Information

### **Transfer Agent until July 14, 2023**

Name: Fulton Financial Advisors  
Phone: 717-291-2546  
Email: cfickes@fult.com  
Address: One Penn Square, Lancaster, PA 17604

### **Transfer Agent after July 14, 2023**

Name: Computershare Trust Company, N.A.  
Phone: 866-595-6048  
Email: web.queries@computershare.com  
Address: 150 Royall St., Suite 101, Canton, MA 02021

Trading symbol:	<u>BURCA</u>	
Exact title and class of securities outstanding:	<u>Common A</u>	
CUSIP:	<u>122295108</u>	
Par or stated value:	<u>\$1.00</u>	
Total shares authorized:	<u>9,000,000</u>	<u>as of date: July 2, 2023</u>
Total shares outstanding:	<u>3,310,951</u>	<u>as of date: July 2, 2023</u>
Total number of shareholders of record:	<u>216</u>	<u>as of date: July 2, 2023</u>

All additional class(es) of publicly quoted or traded securities (if any):

Trading symbol:	<u>BURCB</u>	
Exact title and class of securities outstanding:	<u>Common B</u>	
CUSIP:	<u>122295306</u>	
Par or stated value:	<u>\$1.00</u>	
Total shares authorized:	<u>4,000,000</u>	as of date: <u>July 2, 2023</u>
Total shares outstanding:	<u>1,317,726</u>	as of date: <u>July 2, 2023</u>
Total number of shareholders of record:	<u>204</u>	as of date: <u>July 2, 2023</u>

Trading symbol:	<u>BURCP</u>	
Exact title and class of securities outstanding:	<u>6% Preferred</u>	
CUSIP:	<u>122295207</u>	
Par or stated value:	<u>50.00</u>	
Total shares authorized:	<u>10,600</u>	as of date: <u>July 2, 2023</u>
Total shares outstanding:	<u>5,969</u>	as of date: <u>July 2, 2023</u>
Total number of shareholders of record:	<u>73</u>	as of date: <u>July 2, 2023</u>

### **Security Description:**

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

**1. For common equity, describe any dividend, voting and preemption rights.**

The Company's Class A and Class B common shares have similar rights except for voting rights and transferability. Class A has one vote per share. Class B has eight votes per share. A majority approval by the holders of Class B is required for certain corporate actions. Class B may be transferred only to Permitted Transferees, as defined in related documents, at the option of the holder of the Class B share. Other transfers of Class B result in the automatic conversion of the transferred shares into an equal number of shares of Class A. Class B can be converted at any time into Class A at the option of the holder.

**2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

The Company's Preferred Stock is 6% cumulative and voting. Preferred Stock is redeemable at \$52.50.

**3. Describe any other material rights of common or preferred stockholders.**

None

**4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

None

### 3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

#### A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No:  Yes:  (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End:			*Right-click the rows below and select "Insert" to add rows as needed.						
Opening Balance: Date <u>12/31/21</u> Common: <u>4,587,269</u> Preferred: <u>5,973</u>									
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to.  *You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>02/17/22</u>	<u>Treasury</u>	<u>(4)</u>	<u>Preferred</u>	<u>50.00</u>	<u>No</u>	<u>Burnham Holdings</u>			
<u>03/31/22</u>	<u>Treasury</u>	<u>2,853</u>	<u>Common A</u>	<u>13.78</u>	<u>No</u>	<u>Dale Bowman</u>	<u>Employee Comp.</u>	<u>Restricted</u> <u>Rule 701</u>	
<u>05/16/22</u>	<u>Treasury</u>	<u>5,435</u>	<u>Common A</u>	<u>13.83</u>	<u>No</u>	<u>Douglas Brossman</u>	<u>Employee Comp</u>	<u>Restricted</u> <u>Rule 701</u>	
<u>05/16/22</u>	<u>Treasury</u>	<u>2,078</u>	<u>Common A</u>	<u>13.83</u>	<u>No</u>	<u>Christopher Drew</u>	<u>Employee Comp</u>	<u>Restricted</u> <u>Rule 701</u>	
<u>05/16/22</u>	<u>Treasury</u>	<u>72</u>	<u>Common A</u>	<u>13.83</u>	<u>No</u>	<u>Melissa Devitz</u>	<u>Employee Comp</u>	<u>Restricted</u> <u>Rule 701</u>	
<u>05/16/22</u>	<u>Treasury</u>	<u>231</u>	<u>Common A</u>	<u>13.83</u>	<u>No</u>	<u>Greg Minard</u>	<u>Employee Comp</u>	<u>Restricted</u> <u>Rule 701</u>	
<u>05/16/22</u>	<u>Treasury</u>	<u>217</u>	<u>Common A</u>	<u>13.83</u>	<u>No</u>	<u>Peter Cloonan</u>	<u>Employee Comp</u>	<u>Restricted</u> <u>Rule 701</u>	
<u>05/16/22</u>	<u>Treasury</u>	<u>418</u>	<u>Common A</u>	<u>13.83</u>	<u>No</u>	<u>Keith Diller</u>	<u>Employee Comp</u>	<u>Restricted</u> <u>Rule 701</u>	
<u>05/16/22</u>	<u>Treasury</u>	<u>369</u>	<u>Common A</u>	<u>13.83</u>	<u>No</u>	<u>Duane Breneman</u>	<u>Employee Comp</u>	<u>Restricted</u> <u>Rule 701</u>	

Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
05/16/22	Treasury	182	Common A	13.83	No	Chris Massey	Employee Comp	Restricted	Rule 701
05/16/22	Treasury	182	Common A	13.83	No	James McKenna	Employee Comp	Restricted	Rule 701
05/16/22	Treasury	367	Common A	13.83	No	Kurt Ruch	Employee Comp	Restricted	Rule 701
05/16/22	Treasury	59	Common A	13.83	No	Edward Johann	Employee Comp	Restricted	Rule 701
05/16/22	Treasury	1,167	Common A	13.83	No	Paul Spradling	Employee Comp	Restricted	Rule 701
05/16/22	Treasury	128	Common A	13.83	No	Linh Coonan	Employee Comp	Restricted	Rule 701
05/16/22	Treasury	116	Common A	13.83	No	Chris Mitchell	Employee Comp	Restricted	Rule 701
05/16/22	Treasury	184	Common A	13.83	No	Craig Eshenaur	Employee Comp	Restricted	Rule 701
05/16/22	Treasury	583	Common A	13.83	No	Allen Kuehl	Employee Comp	Restricted	Rule 701
05/16/22	Treasury	57	Common A	13.83	No	Jeremiah Clegg	Employee Comp	Restricted	Rule 701
05/16/22	Treasury	83	Common A	13.83	No	Robert Paquette	Employee Comp	Restricted	Rule 701
05/16/22	Treasury	315	Common A	13.83	No	Bradley Ehlert	Employee Comp	Restricted	Rule 701
05/16/22	Treasury	649	Common A	13.83	No	Bryan O'Toole	Employee Comp	Restricted	Rule 701
05/16/22	Treasury	259	Common A	13.83	No	Thomas Moore	Employee Comp	Restricted	Rule 701
05/16/22	Treasury	56	Common A	13.83	No	Elizabeth Diehl	Employee Comp	Restricted	Rule 701
05/16/22	Treasury	218	Common A	13.83	No	Jacob Graham	Employee Comp	Restricted	Rule 701
05/16/22	Treasury	583	Common A	13.83	No	James Schnorr	Employee Comp	Restricted	Rule 701
05/16/22	Treasury	834	Common A	13.83	No	Daniel Cork	Employee Comp	Restricted	Rule 701

Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>05/16/22</u>	<u>Treasury</u>	<u>351</u>	<u>Common A</u>	<u>13.83</u>	<u>No</u>	<u>Ronak Patel</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>05/16/22</u>	<u>Treasury</u>	<u>289</u>	<u>Common A</u>	<u>13.83</u>	<u>No</u>	<u>Yale Steingard</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>05/16/22</u>	<u>Treasury</u>	<u>104</u>	<u>Common A</u>	<u>13.83</u>	<u>No</u>	<u>William Dodge</u>	<u>BOD Comp.</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>05/16/22</u>	<u>Treasury</u>	<u>54</u>	<u>Common A</u>	<u>13.83</u>	<u>No</u>	<u>Laura Wand</u>	<u>BOD Comp.</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>05/16/22</u>	<u>Treasury</u>	<u>237</u>	<u>Common A</u>	<u>13.83</u>	<u>No</u>	<u>Elizabeth McMullan</u>	<u>BOD Comp.</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>05/16/22</u>	<u>Treasury</u>	<u>104</u>	<u>Common A</u>	<u>13.83</u>	<u>No</u>	<u>John Lyman</u>	<u>BOD Comp.</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>05/16/22</u>	<u>Treasury</u>	<u>104</u>	<u>Common A</u>	<u>13.83</u>	<u>No</u>	<u>Donald Stern</u>	<u>BOD Comp.</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>05/16/22</u>	<u>Treasury</u>	<u>237</u>	<u>Common A</u>	<u>13.83</u>	<u>No</u>	<u>Phil Rohrbaugh</u>	<u>BOD Comp.</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>05/16/22</u>	<u>Treasury</u>	<u>104</u>	<u>Common A</u>	<u>13.83</u>	<u>No</u>	<u>Phil Wenger</u>	<u>BOD Comp.</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>05/16/22</u>	<u>Treasury</u>	<u>(167)</u>	<u>Common A</u>	<u>1.00</u>	<u>No</u>	<u>Burnham Holdings</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>6,513</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>Douglas Brossman</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>3,222</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>Christopher Drew</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>833</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>Nicholas Ribich</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>139</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>Melissa Devitz</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>1,444</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>Paul Spradling</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>962</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>Bryan O'Toole</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>377</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>Bradley Ehlert</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>541</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>Keith Diller</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>

Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>5/15/23</u>	<u>Treasury</u>	<u>187</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>Linh Coonan</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>266</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>Peter Cloonan</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>507</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>Duane Breneman</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>319</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>Thomas Moore</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>283</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>Craig Eshenaur</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>216</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>Chris Massey</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>216</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>James McKenna</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>299</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>Chris Mitchell</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>722</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>James Schnorr</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>999</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>Daniel Cork</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>550</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>Kurt Ruch</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>433</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>Ronak Patel</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>104</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>Elizabeth Diehl</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>327</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>Jacob Graham</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>722</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>Allen Kuehl</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>127</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>Robert Paquette</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>352</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>Greg Minard</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>346</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>Yale Steingard</u>	<u>Employee Comp</u>	<u>Restricted</u>	<u>Rule 701</u>

Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>5/15/23</u>	<u>Treasury</u>	<u>219</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>William Dodge</u>	<u>BOD Comp.</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>172</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>Laura Wand</u>	<u>BOD Comp.</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>121</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>David Reeves</u>	<u>BOD Comp.</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>219</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>John Lyman</u>	<u>BOD Comp.</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>219</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>Donald Stern</u>	<u>BOD Comp.</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>121</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>Christopher Pruitt</u>	<u>BOD Comp.</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>5/15/23</u>	<u>Treasury</u>	<u>219</u>	<u>Common A</u>	<u>12.73</u>	<u>No</u>	<u>Phil Wenger</u>	<u>BOD Comp.</u>	<u>Restricted</u>	<u>Rule 701</u>
Shares Outstanding on Date of This Report:  Ending Balance: Date <u>07/02/2023</u> Common: <u>4,628,677</u> Preferred: <u>5,969</u>									

**Example:** A company with a fiscal year end of December 31<sup>st</sup>, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2021 through December 31, 2022 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

N/A

## B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No:  Yes:  (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder.  *You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____

Use the space below to provide any additional details, including footnotes to the table above:

N/A

#### **4) Issuer's Business, Products and Services**

The purpose of this section is to provide a clear description of the issuer's current operations. (Please ensure that these descriptions are updated on the Company's Profile on [www.otcmarkets.com](http://www.otcmarkets.com)).

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Burnham Holdings, Inc. provides the Heating, Ventilating, and Air Conditioning (HVAC) industry with thermal and interior comfort solutions used in a wide range of residential, commercial, and industrial applications. Our subsidiaries are market leaders in the design, manufacture, and sale of boilers and related HVAC products and accessories, including advanced control systems, furnaces, radiators, and water heaters. We offer a broad line of high-value, energy-efficient products sold under well-established brand names. Products are manufactured at facilities in the East, South, and Midwestern United States.

B. List any subsidiaries, parent company, or affiliated companies.

See Exhibit A at the end of this report.

C. Describe the issuers' principal products or services.

Our residential subsidiaries drive customer value through highly efficient, innovative products, providing interior comfort solutions for homes and small buildings. U.S. Boiler Company, Velocity Boiler Works, New Yorker Boiler Company, and Governale Company collectively offer a full range of residential hydronic heating products, including cast iron, stainless steel, and steel boilers, as well as cast iron and steel heat distribution products. Thermo Products offers warm air furnaces for the residential heating and cooling markets, including specialized units for the manufactured housing industry.

Commercial and industrial heating and process needs are addressed by our commercial subsidiaries, including Burnham Commercial, Bryan Steam, and Thermal Solutions Products. Commercial heating applications include military bases, multi-unit residential buildings, health care, government, education, and hospital facilities. Industrial applications include any project where steam or hot water is needed. Product offerings encompass a full range of cast iron, stainless steel, fire-tube, water-tube, and copper-tube boilers and water heaters, as well as boiler room accessories, for commercial and industrial applications.

Vertical integration of our operations is provided by subsidiaries that manufacture key product components. Every year, Casting Solutions converts tens of thousands of tons of scrap metal into boiler castings and other gray and ductile iron castings. Painted light-gauge metal parts are made by Norwood Manufacturing and Lancaster Metal Manufacturing. Collectively, our affiliated companies offer more types and models of products and accessory equipment than any of our competitors. Our commitment to shareholder value through innovation has provided the foundation for our history of proven performance. We expect that our investment in HVAC technologies, as well as operational and product excellence, will continue to drive that foundation forward.

#### **5) Issuer's Facilities**

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

See Exhibit A at the end of this report.

## 6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more than 5% of any class of the issuers securities, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
<u>Peggy Quinlan</u>	<u>5% Owner</u>	<u>Genoa, NV</u>	<u>121,226</u>	<u>Common B</u>	<u>9.2%</u>	<u>N/A</u>
<u>Diane DeForest</u>	<u>5% Owner</u>	<u>San Francisco, CA</u>	<u>89,994</u>	<u>Common B</u>	<u>6.8%</u>	<u>N/A</u>
<u>Eleanor Drew</u>	<u>5% Owner</u>	<u>New York, NY</u>	<u>75,856</u>	<u>Common B</u>	<u>5.8%</u>	<u>N/A</u>
<u>Leslie Sullivan</u>	<u>5% Owner</u>	<u>Hilton Head, SC</u>	<u>75,240</u>	<u>Common B</u>	<u>5.7%</u>	<u>N/A</u>
<u>George W. Drew</u>	<u>5% Owner</u>	<u>Joliet, MT</u>	<u>70,224</u>	<u>Common B</u>	<u>5.3%</u>	<u>N/A</u>
<u>Douglas Brossman</u>	<u>Officer</u>	<u>Lancaster, PA</u>	<u>16,320</u>	<u>Common A</u>	<u>0.4%</u>	<u>N/A</u>
<u>Christopher Drew</u>	<u>Officer</u>	<u>Lancaster, PA</u>	<u>6,211</u> <u>35,359</u>	<u>Common A</u> <u>Common B</u>	<u>0.2%</u> <u>2.7%</u>	<u>N/A</u>
<u>Nicholas Ribich</u>	<u>Officer</u>	<u>Lancaster, PA</u>	<u>833</u>	<u>Common A</u>	<u>&lt;0.1%</u>	<u>N/A</u>
<u>Melissa Devitz</u>	<u>Officer</u>	<u>Palmyra, PA</u>	<u>211</u>	<u>Common A</u>	<u>&lt;0.1%</u>	<u>N/A</u>
<u>Bryan O'Toole</u>	<u>Officer</u>	<u>Lancaster, PA</u>	<u>3,286</u>	<u>Common A</u>	<u>0.1%</u>	<u>N/A</u>
<u>Paul Spradling</u>	<u>Officer</u>	<u>Lancaster, PA</u>	<u>8,489</u>	<u>Common A</u>	<u>0.3%</u>	<u>N/A</u>
<u>William Dodge II</u>	<u>Director</u>	<u>Palm Beach Gardens, FL</u>	<u>2,661</u> <u>681</u>	<u>Common A</u> <u>Common B</u>	<u>0.1%</u> <u>&lt;0.1%</u>	<u>N/A</u>

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
<u>John Lyman</u>	<u>Director</u>	<u>Mount Kisco, NY</u>	<u>12,150</u> <u>13,185</u>	<u>Common A</u> <u>Common B</u>	<u>0.4%</u> <u>1.0%</u>	<u>N/A</u>
<u>Christopher Pruitt</u>	<u>Director</u>	<u>Sinking Spring, PA</u>	<u>121</u>	<u>Common A</u>	<u>&lt;0.1%</u>	<u>N/A</u>
<u>David Reeves</u>	<u>Director</u>	<u>Seattle, WA</u>	<u>11,611</u>	<u>Common A</u>	<u>0.4%</u>	<u>N/A</u>
<u>Donald Stern</u>	<u>Director</u>	<u>Great Neck, NY</u>	<u>377</u>	<u>Common A</u>	<u>&lt;0.1%</u>	<u>N/A</u>
<u>Laura Wand</u>	<u>Director</u>	<u>York, PA</u>	<u>172</u>	<u>Common A</u>	<u>&lt;0.1%</u>	<u>N/A</u>
<u>Philip Wenger</u>	<u>Director</u>	<u>Pequea, PA</u>	<u>377</u>	<u>Common A</u>	<u>&lt;0.1%</u>	<u>N/A</u>

## 7) Legal/Disciplinary History

A. Identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

## 8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Paul G. Mattaini, Esquire  
Firm: Barley Snyder  
Address 1: 126 East King Street  
Address 2: Lancaster, PA 17602  
Phone: 717-399-1519  
Email: pmattaini@barley.com

Accountant or Auditor

Name: Michael C. Malinoski, CPA  
Firm: Baker Tilly US, LLP  
Address 1: 1570 Fruitville Pike, Suite 400  
Address 2: Lancaster, PA 17601  
Phone: 610-927-4547  
Email: michael.malinoski@bakertilly.com

## 9) Financial Statements

- A. The following financial statements were prepared in accordance with:

- IFRS  
 U.S. GAAP

- B. The following financial statements were prepared by (name of individual)<sup>2</sup>:

Name: Nicholas I. Ribich  
Title: Vice President, Chief Financial Officer and Secretary  
Relationship to Issuer: Principal Financial Officer

Describe the qualifications of the person or persons who prepared the financial statements: Over 20 years of extensive experience in accounting, auditing, finance and financial reporting in a variety of roles.

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<sup>2</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

Provide the following financial statements for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- a. Audit letter, if audited;
- b. Balance Sheet;
- c. Statement of Income;
- d. Statement of Cash Flows;
- e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- f. Financial Notes

## 10) Issuer Certification

*Principal Executive Officer:*

I, Christopher R. Drew certify that:

1. I have reviewed this Disclosure Statement for Burnham Holdings, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

8/11/2023

/s/ CHRISTOPHER R. DREW

*Principal Financial Officer:*

I, Nicholas I. Ribich certify that:

1. I have reviewed this Disclosure Statement for Burnham Holdings, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

8/11/2023

/s/ NICHOLAS I. RIBICH

## EXHIBIT A – Burnham Holdings, Inc. Subsidiaries

<u>Name</u>	<u>Location</u>
Burnham Holdings, Inc. <sup>(1)(3)</sup>	Lancaster, PA
Bryan Steam, LLC <sup>(2)(3)</sup>	Peru, IN
Burnham, LLC <sup>(2)(3)</sup>	Lancaster, PA
Burnham Casualty Insurance Co. <sup>(5)</sup>	Burlington, VT
Burnham Financial, LLC <sup>(5)</sup>	Wilmington, DE
Burnham Services, Inc. <sup>(5)</sup>	Wilmington, DE
Casting Solutions, LLC <sup>(2)(3)</sup>	Zanesville, OH
Commercial and Industrial Thermal Solutions, LLC <sup>(1)(3)</sup>	Lancaster, PA
Commercial Leasing and Services, LLC <sup>(1)(3)</sup>	Lancaster, PA
Crown Boiler Company, LLC <sup>(2)(3)</sup>	Philadelphia, PA
Governale Company, Inc. <sup>(2)(4)</sup>	Brooklyn, NY
Heating Solutions Sales Company, LLC <sup>(1)(3)</sup>	Lancaster, PA
Lancaster Metal Manufacturing, LLC <sup>(2)(3)</sup>	Lancaster, PA
New Yorker Boiler Company, Inc. <sup>(2)(3)</sup>	Lancaster, PA
Norwood Manufacturing, Inc. <sup>(2)(3)</sup>	Norwood, NC
Thermal InMotion, LLC <sup>(1)(3)</sup>	Lancaster, PA
Thermal Solutions Products, LLC <sup>(2)(3)</sup>	Lancaster, PA
Thermo Products, LLC <sup>(2)(3)</sup>	Denton, NC
U.S. Boiler Company, LLC <sup>(2)(3)</sup>	Lancaster, PA
Velocity Boiler Works, LLC <sup>(2)(3)(4)</sup>	Philadelphia, PA

*All facilities are in good condition.*

- (1) Office
- (2) Manufacturing facility
- (3) Owned
- (4) Leased – our Governale facility is leased as is a storage warehouse utilized by Velocity.
- (5) These entities provide various support only to Burnham subsidiaries and do not utilize physical offices.

**Burnham Holdings, Inc.**  
**Consolidated Statements of Income**  
(In thousands, except per share amounts)  
(Unaudited)

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>July 2,</b>	<b>July 3,</b>	<b>July 2,</b>	<b>July 3,</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Net sales	\$ 52,167	\$ 52,500	\$ 111,701	\$ 104,938
Cost of goods sold	40,568	44,906	86,124	88,984
Gross profit	<u>11,599</u>	<u>7,594</u>	<u>25,577</u>	<u>15,954</u>
Selling, general and administrative expenses	9,940	8,680	19,982	17,718
Operating income (loss)	<u>1,659</u>	<u>(1,086)</u>	<u>5,595</u>	<u>(1,764)</u>
Other expense:				
Non-service related pension credit	138	107	275	213
Interest and investment gain (loss)	207	(85)	489	(218)
Interest expense	(687)	(330)	(1,186)	(605)
Other expense	<u>(342)</u>	<u>(308)</u>	<u>(422)</u>	<u>(610)</u>
Income (loss) before income taxes	1,317	(1,394)	5,173	(2,374)
Income tax expense (benefit)	303	(321)	1,190	(546)
Net income (loss)	<u>\$ 1,014</u>	<u>\$ (1,073)</u>	<u>\$ 3,983</u>	<u>\$ (1,828)</u>
Earnings (loss) per share				
Basic	\$ 0.20	\$ (0.23)	\$ 0.85	\$ (0.40)
Diluted	\$ 0.20	\$ (0.23)	\$ 0.85	\$ (0.40)
Cash dividends per share	\$ 0.22	\$ 0.22	\$ 0.44	\$ 0.44

The accompanying notes are integral to the consolidated financial statements.

**Burnham Holdings, Inc.**  
**Consolidated Balance Sheets**  
(In thousands)

	(Unaudited) July 2, 2023	December 31, 2022	(Unaudited) July 3, 2022
<b><u>ASSETS</u></b>			
Current Assets			
Cash and cash equivalents	\$ 6,733	\$ 6,994	\$ 5,857
Trade accounts receivable, net	24,496	29,243	19,933
Inventories, net	75,453	59,635	63,427
Prepaid expenses and other current assets	4,555	3,747	4,857
Total Current Assets	<u>111,237</u>	<u>99,619</u>	<u>94,074</u>
Property, plant and equipment, net	62,244	59,980	57,828
Lease assets	2,853	1,793	1,997
Other long-term assets	15,747	14,866	22,901
Total Assets	<u>\$ 192,081</u>	<u>\$ 176,258</u>	<u>\$ 176,800</u>
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>			
Current Liabilities			
Accounts payable & accrued expenses	\$ 25,176	\$ 36,047	\$ 29,349
Current portion of long-term liabilities	152	152	152
Current portion of operating lease liabilities	810	854	824
Total Current Liabilities	<u>26,138</u>	<u>37,053</u>	<u>30,325</u>
Long-term debt	56,642	33,721	37,775
Lease liabilities	2,043	939	1,173
Other postretirement liabilities	6,148	5,636	6,068
Deferred income taxes	7,827	7,822	8,972
Shareholders' Equity			
Preferred Stock	530	530	530
Class A Common Stock	3,626	3,626	3,623
Class B Convertible Common Stock	1,318	1,318	1,321
Additional paid-in capital	16,824	16,565	16,564
Retained earnings	116,420	114,526	109,668
Accumulated other comprehensive loss	(27,529)	(27,549)	(21,291)
Treasury stock, at cost	(17,906)	(17,929)	(17,928)
Total Shareholders' Equity	<u>93,283</u>	<u>91,087</u>	<u>92,487</u>
Total Liabilities and Shareholders' Equity	<u>\$ 192,081</u>	<u>\$ 176,258</u>	<u>\$ 176,800</u>

The accompanying notes are integral to the consolidated financial statements.

**Burnham Holdings, Inc.**  
**Consolidated Statements of Cash Flows**  
(In thousands)  
(Unaudited)

	<b>Six Months Ended</b>	
	<b>July 2, 2023</b>	<b>July 3, 2022</b>
Net income (loss)	\$ 3,983	\$ (1,828)
Depreciation and amortization	2,511	2,388
Pension and postretirement liabilities expense	(208)	86
Other net adjustments	(496)	(549)
Changes in operating assets and liabilities	<u>(20,349)</u>	<u>(11,224)</u>
Net cash used by operating activities	(14,559)	(11,127)
Purchase of property, plant and equipment	(4,842)	(2,797)
Net proceeds from borrowings	20,947	15,946
Share-based and treasury activity, net	282	267
Dividends paid	<u>(2,089)</u>	<u>(2,086)</u>
Net (decrease) increase in cash and cash equivalents	<u>\$ (261)</u>	<u>\$ 203</u>
Cash and cash equivalents, beginning of period	\$ 6,994	\$ 5,654
Net (decrease) increase in cash and cash equivalents	<u>(261)</u>	<u>203</u>
Cash and cash equivalents, end of period	<u>\$ 6,733</u>	<u>\$ 5,857</u>

The accompanying notes are integral to the consolidated financial statements.

**Burnham Holdings, Inc.**  
**Consolidated Statements of Shareholders' Equity**  
(In thousands)  
(Unaudited)

	Preferred Stock	Class A Common Stock	Class B Convertible Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock, at Cost	Shareholders' Equity
<b>Balance at December 31, 2022</b>	<b>\$ 530</b>	<b>\$ 3,626</b>	<b>\$ 1,318</b>	<b>\$ 16,565</b>	<b>\$ 114,526</b>	<b>\$ (27,549)</b>	<b>\$ (17,929)</b>	<b>\$ 91,087</b>
Cash dividends declared:								
Common stock - (\$0.22 per share)	-	-	-	-	(1,012)	-	-	(1,012)
Net income for the period	-	-	-	-	2,969	-	-	2,969
Other comprehensive loss, net of tax (\$88)	-	-	-	-	-	(296)	-	(296)
<b>Balance at April 2, 2023</b>	<b>\$ 530</b>	<b>\$ 3,626</b>	<b>\$ 1,318</b>	<b>\$ 16,565</b>	<b>\$ 116,483</b>	<b>\$ (27,845)</b>	<b>\$ (17,929)</b>	<b>\$ 92,748</b>
Share-based compensation	-	-	-	259	-	-	23	282
Cash dividends declared:								
Preferred stock - 6%	-	-	-	-	(9)	-	-	(9)
Common stock - (\$0.22 per share)	-	-	-	-	(1,068)	-	-	(1,068)
Net income for the period	-	-	-	-	1,014	-	-	1,014
Other comprehensive income, net of tax (\$94)	-	-	-	-	-	316	-	316
<b>Balance at July 2, 2023</b>	<b>\$ 530</b>	<b>\$ 3,626</b>	<b>\$ 1,318</b>	<b>\$ 16,824</b>	<b>\$ 116,420</b>	<b>\$ (27,529)</b>	<b>\$ (17,906)</b>	<b>\$ 93,283</b>
	Preferred Stock	Class A Common Stock	Class B Convertible Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock, at Cost	Shareholders' Equity
<b>Balance at December 31, 2021</b>	<b>\$ 530</b>	<b>\$ 3,615</b>	<b>\$ 1,329</b>	<b>\$ 16,317</b>	<b>\$ 113,582</b>	<b>\$ (22,260)</b>	<b>\$ (17,948)</b>	<b>\$ 95,168</b>
Share-based compensation	-	-	-	37	-	-	3	40
Conversion of common stock	-	-	-	-	-	-	-	-
Cash dividends declared:								
Common stock - (\$0.22 per share)	-	-	-	-	(1,011)	-	-	(1,011)
Net loss for the period	-	-	-	-	(755)	-	-	(755)
Other comprehensive income, net of tax (\$166)	-	-	-	-	-	751	-	751
<b>Balance at April 3, 2022</b>	<b>\$ 530</b>	<b>\$ 3,615</b>	<b>\$ 1,329</b>	<b>\$ 16,354</b>	<b>\$ 111,816</b>	<b>\$ (21,509)</b>	<b>\$ (17,945)</b>	<b>\$ 94,190</b>
Share-based compensation	-	-	-	210	-	-	17	227
Conversion of common stock	-	8	(8)	-	-	-	-	-
Cash dividends declared:								
Preferred stock - 6%	-	-	-	-	(9)	-	-	(9)
Common stock - (\$0.22 per share)	-	-	-	-	(1,066)	-	-	(1,066)
Net loss for the period	-	-	-	-	(1,073)	-	-	(1,073)
Other comprehensive income, net of tax (\$166)	-	-	-	-	-	218	-	218
<b>Balance at April 3, 2022</b>	<b>\$ 530</b>	<b>\$ 3,623</b>	<b>\$ 1,321</b>	<b>\$ 16,564</b>	<b>\$ 109,668</b>	<b>\$ (21,291)</b>	<b>\$ (17,928)</b>	<b>\$ 92,487</b>

The accompanying notes are integral to the consolidated financial statements.

**Notes To Financial Statements:**

- (1) Basic earnings per share are based upon weighted average shares outstanding for the period. Diluted earnings per share assume the conversion of outstanding rights into common stock.
- (2) Common stock outstanding at July 2, 2023 includes 3,310,951 of Class A shares and 1,317,726 of Class B shares.
- (3) Mark-to-Market adjustments are a result of changes (non-cash) in the fair value of interest rate agreements. These agreements are used to exchange the interest rate stream on variable rate debt for payments indexed to a fixed interest rate. These non-operational, non-cash charges reverse themselves over the term of the agreements.
- (4) Accounting rules require that the funded status of pension and other postretirement benefits be recognized as a non-cash asset or liability on the balance sheet. As of December 31, 2022, projected benefit obligations exceeded plan assets (liability) while as of December 31, 2021, plan assets exceeded projected benefit obligations (asset). The resulting non-cash presentation on the balance sheet is reflected in "Other long-term assets" or "Other postretirement liabilities", "Deferred income taxes", and "Accumulated other comprehensive loss", a non-cash subsection of "Shareholders' Equity" (See Note 13 of the 2022 Annual Report for more details).
- (5) Unaudited results, forward looking statements, and certain significant estimates and risks. This note has been expanded to include items discussed in detail within the 2022 Annual Report.

**Unaudited Results and Forward Looking Statements.** The accompanying unaudited financial statements contain all adjustments that are necessary for a fair presentation of results for such periods and are consistent with policies and procedures employed in the audited year-end financial statements. These consolidated financial statements should be read in conjunction with the Annual Report for the period ended December 31, 2022. Statements other than historical facts included or referenced in this Report are forward-looking statements subject to certain risks, trends, and uncertainties that could cause actual results to differ materially from those projected. We undertake no duty to update or revise these forward-looking statements.

**Certain Significant Estimates and Risks.** Certain estimates are determined using historical information along with assumptions about future events. Changes in assumptions for items such as warranties, pensions, medical cost trends, employment demographics and legal actions, as well as changes in actual experience, could cause these estimates to change. Specific risks, such as those included below, are discussed in the Company's Quarterly and Annual Reports in order to provide regular knowledge of relevant matters. Estimates and related reserves are more fully explained in the 2022 Annual Report.

**Retirement Plans:** The Company has a defined benefit plan and post-retirement healthcare benefit plans (the Plan) which cover certain eligible employees and retirees. Beginning in 2003, the Plan was amended to state the newly hired, non-union employees would not be eligible to participate in the Plan. Subsequent to 2003, the benefit accrual was eliminated for all unionized new hires and active employees with the exception of a closed group of union production employees. During 2022, the Company was able to reach agreement with this final group of union production employees and freeze further accrual of pension benefits. A subsidiary of the Company contributes to a union-sponsored multi-employer defined benefit plan. Variables such as future market conditions, investment returns, and employee experience could affect results.

**Medical Health Coverage:** The Company and its subsidiaries are self-insured for most of the medical health insurance provided for its employees, limiting maximum exposure per occurrence by purchasing third-party stop-loss coverage.

**Retiree Health Benefits:** The Company pays a fixed annual amount that assists a specific group of retirees in purchasing medical and/or prescription drug coverage from providers. Additionally, certain employees electing early retirement receive a fixed dollar amount based on years of employee service to assist them in covering medical costs. These obligations are accounted for within the financial statements.

**Insurance:** The Company and its subsidiaries maintain insurance to cover product liability, general liability, workers' compensation, and property damage. Well-known and reputable insurance carriers provide current coverage. All policies and corresponding deductible levels are reviewed on an annual basis. Third-party administrators, approved by the Company and the insurance carriers, handle claims and attempt to resolve them to the benefit of both the Company and its insurance carriers. The Company reviews claims periodically in conjunction with administrators and adjusts recorded reserves as required.

**Warranty Litigation, Class Action:** In 2010, two of the Company's subsidiaries were served with a class action lawsuit related generally to boiler products manufactured and sold by a predecessor to one of the Company's subsidiaries more than 10 years ago. This matter has now been discontinued as a class action and the litigation has been resolved.

**General Litigation, including Asbestos:** In the normal course of business, certain subsidiaries of the Company have been named, and may in the future be named, as defendants in various legal actions including claims related to property damage and/or personal injury allegedly arising from products of the Company's subsidiaries or their predecessors. A number of these claims allege personal injury arising from exposure to asbestos-containing material allegedly contained in certain boilers manufactured many years ago, or through the installation or removal of heating systems. The Company's subsidiaries, directly and/or through insurance providers, are vigorously defending all open asbestos cases, many of which involve multiple claimants and many defendants, which may not be resolved for several years. Asbestos litigation is a national issue with thousands of companies defending claims. While the large majority of claims have historically been resolved prior to the completion of trial, from time to time some claims may be expected to proceed to a potentially substantial verdict against subsidiaries of the Company. Any such verdict would be subject to a potential reduction or reversal of verdict on appeal, any set-off rights, and/or a reduction of liability following allocation of liability among various defendants. The Company believes, based upon its understanding of its available insurance policies and discussions with legal counsel, that all pending legal actions and claims, including asbestos actions and claims, should ultimately be resolved (whether through settlements or verdicts) within existing insurance limits and reserves, or for amounts not material to the Company's financial position or results of operations. However, the resolution of litigation generally entails significant uncertainties, and no assurance can be given as to the ultimate outcome of litigation or its impact on the Company and its subsidiaries. Furthermore, the Company cannot predict the extent to which new claims will be filed in the future, although the Company currently believes that the great preponderance of future asbestos claims will be covered by existing insurance. There can be no assurance that insurers will be financially able to satisfy all pending and future claims in accordance with the applicable insurance policies, or that any disputes regarding policy provisions will be resolved in favor of the Company.

**Litigation Expense, Settlements, and Defense:** The cost for settlements, including legal and consulting fees, are disclosed in the 2022 Annual Report.

**Permitting Activities (excluding environmental):** The Company's subsidiaries are engaged in various matters with respect to obtaining, amending or renewing permits required under various laws and associated regulations in order to operate each of its manufacturing facilities. Based on the information presently available, management believes it has all necessary permits and expects that all permit applications currently pending will be routinely handled and approved.

**Environmental Matters:** The operations of the Company's subsidiaries are subject to a variety of federal, state, and local environmental laws. Among other things, these laws require the Company's subsidiaries to obtain and comply with the terms of a number of Federal, State and local environmental regulations and permits, including permits governing air emissions, wastewater discharges, and waste disposal. The Company's subsidiaries periodically need to apply for new permits or to renew or amend existing permits in connection with ongoing or modified operations. In addition, the Company generally tracks and tries to anticipate any changes in environmental laws that might relate to its ongoing operations. The Company believes its subsidiaries are in material compliance with all environmental laws and permits.

As with all manufacturing operations in the United States, the Company's subsidiaries can potentially be responsible for response actions at disposal areas containing waste materials from their current or former operations. In the past five years, the Company has not received any notice that it or its subsidiaries might be responsible for remedial clean-up actions under government supervision. However, one issue covered by insurance policies remains open as of this date and is fully disclosed in the 2022 Annual Report. While it is not possible to be certain whether or how any new or old matters will proceed, the Company does not presently have reason to anticipate incurring material costs in connection with any matters.

**Subsequent Events:** Recently, an asbestos case went to trial and on August 3, 2023, a jury rendered a verdict against one of the Company's subsidiaries for asbestos related damages. Judgment has yet to be entered based on the jury's verdict and the subsidiary will file post-trial motions seeking to overturn and/or reduce the verdict and to seek a new trial. At this stage of the proceedings, the Company is unable to assess the materiality, if any, of the ultimate resolution of the case. Please see the Note entitled "General Litigation, Including Asbestos" above.

On August 9, 2023 the Company announced the acquisition of Combustion Services, Inc.