

Roadrunner Transportation Systems, Inc.

CONSOLIDATED BALANCE SHEETS

December 31,
(In thousands, except par value)

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 13,580	\$ 15,133
Restricted cash	250	500
Accounts receivable, net	38,463	42,261
Prepaid expenses and other current assets	<u>11,420</u>	<u>9,716</u>
Total current assets	<u>63,713</u>	<u>67,610</u>
PROPERTY AND EQUIPMENT, net	22,080	25,307
OTHER ASSETS:		
Operating lease right-of-use asset	55,131	50,934
Goodwill, net	9,565	10,628
Intangible assets, net	33,300	35,700
Other noncurrent assets	<u>4,207</u>	<u>6,107</u>
Total other assets	<u>102,203</u>	<u>103,369</u>
Total assets	<u>\$ 187,996</u>	<u>\$ 196,286</u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
Current finance lease liability	\$ 1,874	\$ 3,751
Current operating lease liability	12,177	16,641
Accounts payable	11,666	15,504
Accrued expenses and other current liabilities	<u>30,125</u>	<u>25,121</u>
Total current liabilities	55,842	61,017
Long-term debt	13,861	15,023
Note payable to affiliate	80,286	66,363
Deferred tax liability	1,133	975
Long-term finance lease liability	1,211	3,085
Long-term operating lease liability	<u>42,908</u>	<u>34,375</u>
Total liabilities	<u>195,241</u>	<u>180,838</u>
COMMITMENTS AND CONTINGENCIES (Note 12)		
STOCKHOLDERS' EQUITY (DEFICIT):		
Common stock \$.01 par value; 100,000 shares authorized; 39,093 and 38,308 shares issued and outstanding, respectively	391	383
Preferred Stock \$.01 par value; 45,000 shares authorized; 27,976 issued and outstanding	280	286
Additional paid-in capital	17,210	16,869
Accumulated deficit	<u>(25,126)</u>	<u>(2,090)</u>
Total stockholders' equity (deficit)	<u>(7,245)</u>	<u>15,448</u>
Total liabilities and stockholders' equity (deficit)	<u>\$ 187,996</u>	<u>\$ 196,286</u>

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

Roadrunner Transportation Systems, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS

Years ended December 31,
(In thousands)

	Successor		Predecessor
	2025	Period from November 21, 2024 to December 31, 2024	Period from January 1, 2024 to November 20, 2024
Revenues	\$ 405,841	\$ 32,716	\$ 383,983
Operating expenses:			
Purchased transportation costs	251,000	20,755	235,025
Personnel and related benefits	80,248	8,351	82,358
Other operating expenses	74,094	5,305	71,734
Depreciation and amortization	8,684	717	6,525
Total operating expenses	<u>414,026</u>	<u>35,128</u>	<u>395,642</u>
Operating loss	(8,185)	(2,412)	(11,659)
Other expenses:			
Interest expense	14,638	1,301	9,615
Gain on debt extinguishment	<u>-</u>	<u>(1,638)</u>	<u>-</u>
Loss before income taxes	(22,823)	(2,075)	(21,274)
Income tax expense	<u>213</u>	<u>15</u>	<u>14</u>
NET LOSS	<u>\$ (23,036)</u>	<u>\$ (2,090)</u>	<u>\$ (21,288)</u>

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

Roadrunner Transportation Systems, Inc.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

Years ended December 31, 2025 and 2024
(In thousands, except shares)

	Series A Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount			
Predecessor							
Balance, January 1, 2024	28,571,429	\$ 49,773	38,307,506	\$ 383	\$ 858,213	\$ (946,588)	\$ (38,219)
Share-based compensation	-	-	-	-	4,118	-	4,118
Net loss	-	-	-	-	-	(21,288)	(21,288)
Balance, November 20, 2024	28,571,429	49,773	38,307,506	383	862,331	(967,876)	(55,389)
Successor							
Balance, November 21, 2024	28,571,429	286	38,307,506	383	16,869	-	17,538
Net loss	-	-	-	-	-	(2,090)	(2,090)
Balance, December 31, 2024	28,571,429	286	38,307,506	383	16,869	(2,090)	15,448
Conversion of Series A to Common	(595,714)	(6)	595,714	6	-	-	-
Options Exercised	-	-	190,000	2	341	-	343
Net loss	-	-	-	-	-	(23,036)	(23,036)
Balance, December 31, 2025	<u>27,975,715</u>	<u>\$ 280</u>	<u>39,093,220</u>	<u>\$ 391</u>	<u>\$ 17,210</u>	<u>\$ (25,126)</u>	<u>\$ (7,245)</u>

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

Roadrunner Transportation Systems, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31,
(In thousands)

	Successor		Predecessor
	2025	Period from November 21, 2024 to December 31, 2024	Period from January 1, 2024 to November 20, 2024
Cash flows from operating activities:			
Net loss	\$ (23,036)	\$ (2,090)	(21,288)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	12,209	1,124	6,813
Gain on debt restructuring	-	(1,638)	-
Loss (gain) on disposal of property and equipment	143	-	(12)
Loss on abandonment	281	-	92
Interest on affiliate notes	9,356	699	5,533
Share-based compensation	-	-	4,118
Provision for bad debts	2,456	187	2,018
Deferred tax expense	159	-	-
Changes in:			
Accounts receivable	1,342	2,346	(3,321)
Prepaid expenses and other assets	13,857	(3,177)	645
Accounts payable	(3,838)	1,385	1,116
Accrued expenses and other liabilities	(10,641)	1,657	(1,231)
Net cash provided by (used in) operating activities	2,288	493	(5,517)
Cash flows from investing activities:			
Capital expenditures	(822)	-	(385)
Proceeds from sale of property and equipment	268	-	14
Net cash used in investing activities	(554)	-	(371)
Cash flows from financing activities:			
Proceeds from exercise of stock options	343	-	-
Borrowings from affiliate	-	15,000	5,000
Payments on term debt	-	(8,000)	-
Payments on debt extinguishments	-	(10,000)	-
Debt issuance costs	-	(532)	-
Proceeds from insurance premium financing	3,367	-	3,287
Payments on insurance premium financing	(3,496)	(366)	(3,024)
Payments of finance lease obligation	(3,751)	(442)	(6,341)
Net cash used in financing activities	(3,537)	(4,340)	(1,078)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,803)	(3,847)	(6,966)
Cash and cash equivalents:			
Beginning of period	15,633	19,480	26,446
End of period	\$ 13,830	\$ 15,633	\$ 19,480
Supplemental cash flow information:			
Cash paid for interest	\$ 1,518	\$ 105	\$ 3,794
Cash paid (received) for income taxes, net	(18)	(72)	73

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

Roadrunner Transportation Systems, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE 1 - ORGANIZATION, NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Roadrunner Transportation Systems, Inc. (the "Company") is a Less-than-Truckload ("LTL") freight services provider headquartered in Downers Grove, Illinois with operations primarily in the United States. The Company's services involve the pickup, consolidation, linehaul, deconsolidation, and delivery of LTL shipments.

Predecessor

The period from January 1, 2024 through November 20, 2024 reflect the historical cost basis of accounting of the Company that existed prior to the acquisition (see Business Combinations section). This period is referred to as "Predecessor" period.

Successor

The period from November 21, 2024 to December 31, 2024 and the year ended December 31, 2025 are referred to as the "Successor" period. The successor period reflects the costs and activities as well as the recognition of assets and liabilities of the Company at their fair values pursuant to the election of pushdown accounting of the acquisition (see Business Combinations section).

Due to the application of acquisition accounting, the election of pushdown accounting, and the conforming of significant accounting policies, the results of operations, cash and other financial information for the Successor periods are not comparable to the Predecessor periods.

Principles of Consolidation

The accompanying audited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") pursuant to the rules and regulations of the American Institute of Certified Public Accountants ("AICPA"). All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements, in conformity with U.S. 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Material items subject to such estimates and assumptions are the allowance for credit losses, income tax reserves, shared based compensation, insurance reserves, revenue in-transit and the valuation of goodwill, intangibles, and other net assets and liabilities acquired. Actual results could differ from those estimates.

Business Combinations

On November 21, 2024, Prospero Stock Holdco LLC ("Prospero") acquired a 58.5% controlling interest in the Company via a stock transaction. The transaction was accounted for as a business combination under the acquisition method of accounting with Prospero identified as the accounting acquirer in accordance with ASC 805, *Business Combinations*. The acquisition's primary goal was to enhance the Company's growth potential.

The total purchase consideration was \$39.4 million, consisting of \$31.3 million in cash and \$8.1 million in a promissory note issued as part of the transaction.

Roadrunner Transportation Systems, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

The following table summarizes the estimated fair value of assets acquired and liabilities assumed at the acquisition date:

Fair value of consideration:	
Cash proceeds to seller	\$ 31,330,438
Promissory note	8,102,000
	39,432,438
Total purchase price	39,432,438
Cash	19,480,258
Accounts receivable	45,461,435
Prepaid expenses and other assets	5,611,135
Property, plant and equipment	25,724,692
Operating lease assets	52,424,038
Other non-current assets	5,736,878
Intangible assets	36,000,000
Goodwill	10,628,166
	201,066,602
Accounts payable	14,118,911
Accrued expenses	23,593,193
Operating lease liabilities	52,424,038
Finance lease liabilities	7,278,692
Other long-term liabilities	974,915
Debt	85,138,998
	183,528,747
Total identifiable liabilities	183,528,747
Net identifiable assets acquired	\$ 17,537,855

Cash and Cash Equivalents

Cash equivalents are defined as short-term investments that have an original maturity of three months or less at the date of purchase and are readily convertible into cash. The Company maintains cash in several banks and, at times, the balances may exceed federally insured limits.

Restricted Cash

The Company maintains a separate bank account to cash collateralize letters of credit and other banking services. The Company had a restricted cash balance of \$0.3 million and \$0.5 million as of December 31, 2025 and 2024, respectively.

Accounts Receivable and Concentration of Credit Risk

Accounts receivable represent trade receivables from customers and are stated net of an allowance for credit losses. Management estimates the portion of accounts receivable that will not be collected and accounts are written off when they are determined to be uncollectible. Accounts receivable are uncollateralized and are generally due 15 to 60 days from the invoice date.

Roadrunner Transportation Systems, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

The rollforward of the allowance for credit losses are as follows (in thousands):

	Years Ended December 31,	
	2025	2024
Beginning balance	\$ 187	\$ -
Provision, charged to expense	2,456	187
Write-offs, less recoveries	(208)	-
	<u>\$ 2,435</u>	<u>\$ 187</u>
Ending balance		

Property and Equipment

Property and equipment are stated at cost. Maintenance and repair costs are charged to expense as incurred. For financial reporting purposes, depreciation is calculated using the straight-line method over the following estimated useful lives:

Buildings and leasehold improvements	1-15 years
Computer equipment	3-7 years
Internal use software	3-10 years
Office equipment, furniture, and fixtures	5-7 years
Dock, warehouse, and other equipment	3-10 years
Tractors and trailers	5-15 years

Leasehold improvements are amortized over the shorter of their useful lives or the remaining lease term. Accelerated depreciation methods are used for tax reporting purposes.

Property and equipment and other long-lived assets are reviewed periodically for possible impairment. The Company evaluates whether current facts or circumstances indicate that the carrying value of the assets to be held and used may not be recoverable. If such circumstances are determined to exist, an estimate of undiscounted future cash flows produced by the long-lived asset, or the appropriate grouping of assets, is compared to the carrying value to determine whether impairment exists. If an asset is determined to be impaired, the loss is measured and recorded based on quoted market prices in active markets, if available. If quoted market prices are not available, the estimate of fair value is based on various valuation techniques, including discounted value of estimated future cash flows. The Company reports an asset to be disposed of at the lower of its carrying value or its fair value less the cost to sell.

Costs incurred to develop software for internal use are capitalized and amortized over the estimated useful life of the software. Costs related to maintenance of internal-use software are expensed as incurred.

Goodwill

As a result of the acquisition dated November 21, 2024 (see Business Combination section), the Company applied pushdown accounting in accordance with ASC 805, Business Combinations, which resulted in the recognition of goodwill.

Effective January 1, 2025, the Company elected to adopt the accounting alternative for goodwill allowed for private companies under ASC 350-20-15-4, *Intangibles—Goodwill and Other (Topic 350): Accounting Alternatives for Private Companies*. This accounting alternative permits private companies to amortize goodwill on a straight-line basis over a period not exceeding 10 years, unless a shorter useful life is more appropriate, test goodwill for impairment only when a triggering event occurs, rather than annually, and perform the impairment test at the entity level, rather than the reporting-unit level.

Roadrunner Transportation Systems, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

Upon adoption, the Company determined that a useful life of 10 years is appropriate based on the expected period of benefit from the underlying acquisitions. As a result, the Company began amortizing its existing goodwill balance on a prospective basis beginning January 1, 2025.

The adoption of this accounting alternative did not result in a restatement of prior-period financial statements.

For the year ended December 31, 2025, the Company recognized goodwill amortization expense of \$1.1 million, which is presented within Operating expenses on the statement of operations.

The Company evaluated goodwill for impairment during the year and determined that no triggering events occurred that would indicate that the fair value of the Company (or the reporting unit) was below its carrying amount. Accordingly, no goodwill impairment charges were recorded during the period.

Intangible Assets, Net

The fair value of intangible assets is based on material judgments made by management. The Company engages third party valuation appraisal firms to assist the Company in determining the fair values and useful lives of assets acquired of a material amount. Such valuations and useful life determinations require the Company to make material estimates and assumptions. These estimates and assumptions are based on historical experience and information obtained from the management of the acquired companies and include, but are not limited to, future expected cash flows to be earned from the continued operation of the acquired business and discount rates applied in determining the present value of those cash flows. Unanticipated events and circumstances may occur that could affect the accuracy or validity of such assumptions, estimates, or actual results. Acquisition-related finite lived intangible assets are amortized on a straight-line basis over their estimated economic lives. The Company evaluates the estimated benefit periods and recoverability of its intangible assets when facts and circumstances indicate that the lives may not be appropriate and/or the carrying value of the asset may not be recoverable. If the carrying value is not recoverable, impairment is measured as the amount by which the carrying value exceeds its estimated fair value. There were no impairment charges for intangible assets for the period ended December 31, 2025.

Fair Value Measurement

Accounting guidance on fair value measurements for certain financial assets and liabilities requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3 - Unobservable inputs reflecting the reporting entity's own assumptions or external inputs from inactive markets.

A financial asset's or liability's classification within the hierarchy is determined based on the lowest level of input that is significant to the fair value measurement.

The estimated fair values of the Company's financial instruments including its cash and cash equivalents, accounts receivable, notes payable and accounts payable approximate the carrying values of these instruments as they approximate the amounts for which they could be sold, and the liabilities could be settled.

Roadrunner Transportation Systems, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

Issuance Costs

Debt issuance costs represent costs incurred in connection with the issuance of the Company's debt. Issuance costs associated with the Company's debt are capitalized and amortized over the expected maturity of the financing agreements using the effective interest rate method. Unamortized debt issuance costs have been classified as a reduction to debt in the consolidated balance sheets.

Share-Based Compensation

The Company's share-based payment awards are comprised of stock options. The cost for the Company's stock options is measured at fair value using the Black-Scholes option pricing model. The cost is recognized over the vesting period of the award, which is typically between three and four years.

Income Taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, the Company determines deferred tax assets and liabilities on the basis of the differences between the financial statement and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company recognizes deferred tax assets to the extent that it believes that these assets are more likely than not to be realized. In making such a determination, the Company generally considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. Given the Company's recent operating losses, projected future taxable income and tax-planning strategies cannot be considered as sources of future taxable income. A valuation allowance has been established related to deferred tax assets that will not "more likely than not" be realized in the future. If the Company determines that it would be able to realize its deferred tax assets in the future in excess of their net recorded amount, the Company would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

The Company records uncertain tax positions in accordance with Accounting Standards Codification 740 on the basis of a two-step process in which (1) the Company determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position, and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company recognizes the largest amount of tax benefit that is more than 50% likely to be realized upon ultimate settlement with the related tax authority.

Revenue Recognition

The Company's revenues are derived from providing LTL transportation services domestically.

Performance Obligations - A performance obligation is a promise in a contract to transfer a distinct good or service to the customer, and is the basis of revenue recognition, in accordance with U.S. GAAP. A performance obligation is created once a customer agreement with an agreed upon transaction price exists. The transaction price is typically fixed and determinable and is not contingent upon the occurrence or non-occurrence of any other event. The transaction price is generally due 30 to 60 days from the date of invoice. The Company's transportation service is a promise to move freight to a customer's destination, with the transit period typically being less than one week. The Company views the transportation services it provides to its customers as a single performance obligation. This performance obligation is satisfied and

Roadrunner Transportation Systems, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

recognized in revenue over the requisite transit period as the customer's goods move from origin to destination. The Company determines the period to recognize revenue in transit based upon the departure date and the delivery date, which may be estimated if delivery has not occurred as of the reporting date. Determining the transit period and the percentage of completion as of the reporting date requires management to make judgments that affect the timing of revenue recognized. The Company has determined that revenue recognition over the transit period provides a reasonable estimate of the transfer of goods and services to its customers as the Company's obligation is performed over the transit period.

Principal vs. Agent Considerations - The Company utilizes independent contractors ("ICs") and third-party carriers in the performance of some transportation services. The Company evaluates whether its performance obligation is a promise to transfer services to the customer (as the principal) or to arrange for services to be provided by another party (as the agent) using a control model. This evaluation determined that the Company is in control of establishing the transaction price, managing all aspects of the shipments process and taking the risk of loss for delivery, collection, and returns. Based on the Company's evaluation of the control model, it determined that all of the Company's major businesses act as the principal rather than the agent within their revenue arrangements and such revenues are reported on a gross basis.

Contract Balances and Costs - The Company applies the practical expedient in Topic 606 that permits the Company to not disclose the aggregate amount of transaction price allocated to performance obligations that are unsatisfied as of the end of the period as the Company's contracts have an expected length of one year or less. The Company also applies the practical expedient in Topic 606 that permits the recognition of incremental costs of obtaining contracts as an expense when incurred if the amortization period of such costs is one year or less. These costs are included in purchased transportation costs.

The Company's performance obligations represent the transaction price allocated to future reporting periods for freight services started but not completed at the reporting date. This includes the unbilled amounts and accrued freight costs for freight shipments in transit. The Company has \$3.5 million and \$4.0 million of unbilled amounts recorded in accounts receivable and \$2.2 million and \$2.5 million of accrued freight costs recorded in accounts payable as December 31, 2025 and 2024, respectively. The balance of unbilled amounts recorded in accounts receivable as of January 1, 2024 was \$4.7 million.

Insurance

The Company uses a combination of purchased insurance and self-insurance programs to provide for the cost of auto liability, general liability, cargo damage, workers' compensation claims, and benefits paid under employee health care programs. Insurance reserves are established for estimates of the loss that the Company will ultimately incur on reported claims, as well as estimates of claims that have been incurred but not yet reported.

The measurement and classification of self-insured costs requires the consideration of historical cost experience, demographic and severity factors, and judgments about the current and expected levels of cost per claim and retention levels. These methods provide estimates of the liability associated with claims incurred as of the balance sheet date, including claims not reported. The Company believes these methods are appropriate for measuring these self-insurance accruals.

Lease Purchase Guarantee

In connection with leases of certain equipment used exclusively for the Company, the Company has a guarantee to perform in the event of default by the driver. The Company estimates the costs associated with the guarantee by estimating the default rate at the inception of the lease. The Company records the liability and a corresponding asset, which is subsequently amortized over the life of the lease.

Roadrunner Transportation Systems, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

NOTE 2 - PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following as of December 31 (in thousands):

	2025	2024
Buildings and leasehold improvements	\$ 2,416	\$ 2,362
Computer equipment	332	108
Internal use software	5,379	5,093
Office equipment, furniture, and fixtures	736	736
Dock, warehouse, and other equipment	3,853	3,901
Tractors and trailers	14,920	13,524
Property and equipment, gross	27,636	25,724
Less: accumulated depreciation	(5,556)	(417)
Property and equipment, net	\$ 22,080	\$ 25,307

All assets in the line items above have been placed in service as of both December 31, 2025 and 2024. Depreciation expense for the Successor periods ended December 31, 2025 and 2024 amounts to \$5.2 million and \$0.4 million, respectively. Depreciation expense for the Predecessor period ended November 20, 2024 was \$6.5 million.

NOTE 3 - GOODWILL

	Total
Goodwill as of December 31, 2024	\$ 10,628
Less: Accumulated Amortization	(1,063)
Goodwill, net of accumulated amortization, as of December 31, 2025	\$ 9,565

The Company did not recognize any impairment losses in 2025. Goodwill amortization expense was \$1.1 million for the year ended December 31, 2025.

Roadrunner Transportation Systems, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

NOTE 4 - INTANGIBLES

Intangibles consisted of the following as of December 31 (in thousands):

	Useful Life	December 31, 2025		December 31, 2024	
		Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Customer relationships	15 years	\$ 31,000	\$ 2,325	\$ 31,000	\$ 258
Tradenname	15 years	5,000	375	5,000	42
Total		\$ 36,000	\$ 2,700	\$ 36,000	\$ 300

	Customer Relationships	Tradenname	Total
2026	\$ 2,067	\$ 333	\$ 2,400
2027	2,067	333	2,400
2028	2,067	333	2,400
2029	2,067	333	2,400
2030	2,067	333	2,400
Thereafter	18,340	2,960	
Total	\$ 28,675	\$ 4,625	\$ 33,300

Amortization expense for the Successor periods ended December 31, 2025 and 2024 amounts to \$2.4 million and \$0.3 million, respectively. The Company did not recognize any impairment losses in 2025.

NOTE 5 - LEASES

Amounts recognized in the consolidated balance sheets related to the Company's lease portfolio are as follows (in thousands):

	2025	2024
Assets:		
Finance lease assets, net (included in property and equipment)	\$ 4,108	\$ 7,187
Operating lease right-of-use asset	55,131	50,934
Total lease assets	\$ 59,239	\$ 58,121
Liabilities:		
Current finance lease liability	\$ 1,874	\$ 3,751
Current operating lease liability	12,177	16,641
Long-term finance lease liability	1,211	3,085
Long-term operating lease liability	42,908	34,375
Total lease liabilities	\$ 58,170	\$ 57,852

The Company discounts lease payments using an estimate of its incremental borrowing rate based on information available at lease commencement. The incremental borrowing rate is derived using multiple

Roadrunner Transportation Systems, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

inputs, including the Company's credit rating, the impact of full collateralization, lease term and denominated currency.

Amounts recognized in the consolidated statements of operations related to the Company's lease portfolio for the years ended December 31, 2025 and 2024 are as follows (in thousands):

Lease Component	Classification	Year Ended December 31, 2025 (Successor)	For the Period from November 21, 2024 to December 31, 2024 (Successor)	For the Period from January 1, 2024 to November 20, 2024 (Predecessor)
Rent expense - operating leases	Other operating expenses	\$ 22,128	\$ 1,928	\$ 21,353
Amortization of finance lease assets	Depreciation and amortization	827	91	3,012
Interest on finance lease liabilities	Interest expense	386	45	418

The Company leases terminals, office space, trucks, trailers, and other equipment under noncancelable operating leases expiring on various dates through 2031. The Company incurred rent expense from operating leases for the Successor periods ended December 31, 2025 and 2024 of \$22.1 million and \$1.9 million, respectively. Rent expense for the Predecessor period ended November 20, 2024 was \$21.4 million.

Rent expense for operating leases relates primarily to long-term operating leases, but also includes amounts for variable lease costs and short-term leases. The Company also leases trucks, trailers, and other equipment under finance leases. Certain of the Company's lease agreements for trucks, trailers and other equipment contain residual value guarantees. The Company recognized rental income for the Successor periods ended December 31, 2025 and 2024 of \$1.8 million and \$0.2 million, respectively. Rental income for the Predecessor period ended November 20, 2024 was \$1.6 million. The rental income relates to operating leases the Company entered into with its ICs. The Company records rental income from these leases as a reduction to rent expense - operating leases. The Company records sublease income as a reduction of other operating expenses. The subleases ended in November 30, 2024.

Roadrunner Transportation Systems, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

Aggregate future minimum lease payments under noncancelable operating and finance leases with an initial term in excess of one year were as follows as of December 31, 2025 (in thousands):

<u>Year Ending:</u>	<u>Operating Leases</u>	<u>Finance Leases</u>	<u>Total</u>
2026	\$ 16,670	\$ 2,086	\$ 18,756
2027	14,853	1,257	16,110
2028	11,818	-	11,818
2029	10,352	-	10,352
2030	9,511	-	9,511
Thereafter	4,759	-	4,759
	<hr/>	<hr/>	<hr/>
Total	67,963	3,343	71,306
Less: Interest	<u>(12,878)</u>	<u>(258)</u>	<u>(13,136)</u>
Present value of lease liabilities	<u>\$ 55,085</u>	<u>\$ 3,085</u>	<u>\$ 58,170</u>

Weighted average remaining lease term and discount rate used in computing the lease liabilities as of December 31, 2025 were as follows:

Weighted average remaining lease term (in years)	
Operating leases	4.6
Finance leases	1.6
Weighted average discount rate	
Operating leases	9.4%
Finance leases	9.5%

Supplemental cash flow information related to leases for the year ended December 31, 2025 is as follows (in thousands):

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows for operating leases	\$ 20,860
Operating cash flows for finance leases	453
Financing cash flows for finance leases	3,751
Right-of-use assets added for operating leases:	
Operating leases	\$ 19,844

Lease transactions with related parties are disclosed in Note 13 – Related Party Transactions to the consolidated financial statements.

Roadrunner Transportation Systems, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

NOTE 6 - DEBT

The Company's debt consisted of the following at December 31 (in thousands):

	2025	2024
ABL credit facility	\$ 12,000	\$ 12,000
Subordinated promissory note with affiliates	93,440	84,084
Total debt	105,440	96,084
Plus: premiums	1,963	3,188
Less: debt issuance costs and discount	(13,256)	(17,886)
Total debt, net of debt issuance costs and discount	94,147	81,386
Less: current maturities	-	-
Total debt, net of current maturities	\$ 94,147	\$ 81,386

ABL Credit Facility

On August 7, 2020, the Company entered into an asset-based lending credit facility (the "ABL Credit Facility") with SLR Credit Solutions (formerly Crystal Financial LLC), as administrative agent and lender. The ABL Credit Facility consisted of a \$20 million term loan, which was fully drawn upon execution, and a \$15 million delayed draw term loan, which was available to be borrowed in \$5 million increments through August 6, 2022. As of December 5, 2024, the Company borrowed \$10 million under the delayed draw term loan and made no additional borrowings.

On December 6, 2024, the Company amended the ABL Credit Facility. Under the terms of the amendment, the outstanding term loan balance was reduced to \$12.0 million, which remains outstanding as of December 31, 2025, the delayed draw term loan and the original revolving credit facility were terminated, and a new revolving credit facility with a borrowing capacity of \$18.0 million was established. No amounts were outstanding under the revolving credit facility as of December 31, 2025.

The amendment extended the maturity date of the facility to the earlier of December 6, 2029 or 91 days prior to the maturity of any subordinated debt facility. Borrowings under the facility bear interest at the greater of the three-month SOFR rate or 2.0%, plus an applicable margin ranging from 4.5% to 5.0%.

In connection with the amendment, the Company extinguished \$10.0 million of outstanding delayed draw term loan borrowings, resulting in a gain of approximately \$1.6 million, which was recognized in other expenses on the statement of operations for the year ended December 31, 2024.

The ABL Credit Facility contains negative covenants limiting, among other things, additional indebtedness, transactions with affiliates, additional liens, sales of assets, dividends, investments and advances, prepayments of debt, mergers and acquisitions, and other matters customarily restricted in such agreements. The ABL Credit Facility also contains customary events of default, including payment defaults, breaches of representations and warranties, covenant defaults, events of bankruptcy and insolvency, failure of any guaranty or security document supporting the ABL Credit Facility to be in full force and effect, and a change of control of the Company's business.

Roadrunner Transportation Systems, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

The Company's average annualized interest rate for the ABL Credit Facility for the Successor periods ended December 31, 2025 and December 31, 2024 was 10.5% and 11.1%, respectively. The annualized interest rate for the Predecessor period ended November 20, 2024 was 12.1%.

The obligations under the Company's ABL Credit Facility are guaranteed by each of its domestic subsidiaries pursuant to a guaranty included in the ABL Credit Facility. As security for the Company's and its subsidiaries' obligations under the ABL Credit Facility, each of the Company and its domestic subsidiaries have granted a first priority lien on substantially all its domestic subsidiaries' tangible and intangible personal property.

Subordinated Promissory Note with Affiliates

The Company executed a subordinated revolving promissory note (the "Ascent Note") on November 7, 2022 with Ascent Global Logistics, Inc. ("Ascent").

The Ascent Note provided for revolving advances up to an aggregate amount of \$35.0 million with an interest rate of 9.99% per annum to be paid in cash or in kind. On August 10, 2023, the Company and Ascent executed an Operations Separation Agreement (the "OSA"), which among other things, amended the allowable revolving advances to include any net balances owed to Ascent as of December 28, 2023.

On November 21, 2024, the Company amended the Ascent Note by assigning and restating it into three separate promissory notes (the "Notes"). The amendment did not change the total outstanding balance, but assigned \$40.6 million, \$14.9 million and \$7.3 million to Prospero Ascent Holdco LLC, Ascent, and Lyonix Holdings, LLC ("LyonIX"), respectively.

The Notes mature on November 7, 2027 and do not require any principal or interest payments prior to maturity. For the year ended December 31, 2025, the Company did not make any additional borrowings on the Notes. The Notes contains no affirmative or negative covenants but various customary events of default, the occurrence of which would permit the lenders to require immediate payment of all amounts outstanding. In addition, payments of interest and principal to the holders above are subordinated to the full, final and indefeasible payment in cash for the ABL Credit Facility and other obligations.

On November 21, 2024, the Company executed a subordinated promissory note (the "Prospero Note") with Prospero Lender LLC for up to \$20.0 million. It bears interest at 12.50% per annum, which is payable in kind. It matures on the earliest of February 21, 2030, or 91 days before the maturity of any other subordinated indebtedness of the Company.

For the Successor period ended December 31, 2024, the Company drew \$20 million. The Prospero Note does not contain affirmative or negative covenants but includes customary events of default, including failure to pay amounts due, breach of material covenants, and bankruptcy events. If an event of default occurs, the lender may declare all outstanding amounts immediately due and payable.

The Prospero Note is subordinated to the Company's existing senior credit facility, and the Company is restricted from making cash payments of principal or interest under the Note until senior debt obligations are satisfied. As a result of the PIK structure, interest payments are capitalized and added to the outstanding principal balance rather than being paid in cash. The Note is classified as long-term debt in the Company's consolidated balance sheet.

Insurance Premium Financing

The Company enters into short-term insurance premium financing agreements with third-party premium finance companies to finance certain annual insurance premiums.

Roadrunner Transportation Systems, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

During 2025, the Company entered into three premium financing agreements totaling approximately \$2.8 million, including \$2.3 million at an interest rate of 7.2%, \$0.4 million at an interest rate of 7.2% and \$0.1 million at an interest rate of 8.2%.

During 2024, the Company entered into premium financing agreements totaling approximately \$3.3 million, including \$2.6 million at an interest rate of 8.1% and \$0.7 million at an interest rate of 8.2%.

These agreements are payable in monthly installments of principal and interest and are generally secured by the underlying insurance policies. The outstanding balance under these agreements was approximately \$2.0 million and \$2.1 million as of December 31, 2025 and, 2024, respectively, and is included in accrued expenses and other current liabilities.

NOTE 7 - PREFERRED STOCK

On January 30, 2021, the Company's Board of Directors authorized the creation of a series of preferred stock, par value \$0.01 per share, designated as "Series A Convertible Preferred Stock." Series A preferred shares are convertible to common stock and have voting rights in proportion to common shares.

During the year ended December 31, 2025, an aggregate of 595,714 shares of Series A Preferred Stock were converted into 595,714 shares of common stock in accordance with the original conversion terms. The total carrying value of the converted preferred shares was \$0.01 million, which was reclassified to common stock. These transactions had no impact on total stockholders' equity or results of operations.

No additional preferred shares were granted during 2025 or 2024.

NOTE 8 - STOCKHOLDERS' EQUITY (DEFICIT)

Common Stock

The Company's common stock has voting rights - one vote for each share of common stock.

On December 16, 2021, the Company filed a Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation with the State of Delaware to increase the number of authorized shares of its capital stock from 120,000,000 shares to 145,000,000 shares and to increase the number of authorized shares of its common stock from 75,000,000 shares to 100,000,000 shares.

NOTE 9 - SHARE-BASED COMPENSATION

On November 7, 2018, the Company's board of directors adopted the Roadrunner Transportation Systems, Inc. 2018 Incentive Compensation Plan (the "2018 Plan"), which was approved by the Company's stockholders on December 19, 2018 at the 2018 Annual Meeting of Stockholders. Under the 2018 Plan, the total number of shares of the Company's common stock reserved and available for delivery at any time during the term of the 2018 Plan was 120,000 shares. However, pursuant to the terms, such number of shares of the Company's common stock was increased by 7.5% of the shares issued in the rights offering (or 2,700,000 shares). Accordingly, the total number of shares of the Company's common stock reserved and available for delivery under the 2018 Plan is 2,820,000 shares. Outstanding awards granted under the 2018 Plan will continue to be governed by the terms of the 2018 Plan, but no further awards will be made under it.

On February 26, 2021, the Company's board of directors adopted a 2021 Incentive Compensation Plan (the "2021 Plan"), authorizing the issuance of options to purchase shares of Common Stock, par value

Roadrunner Transportation Systems, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

\$0.01 per share, of Roadrunner Transportation Systems, Inc. (“Common Stock”), and other equity or equity-based incentive awards to eligible employees, directors, consultants or other service providers selected for participation in the 2021 Plan in order to provide incentives to such eligible persons.

Stock Options

Under the 2021 Plan and 2018 Plan, the Company awarded stock options to certain key employees. With the exception of two grants partially vesting immediately, the 2021 stock options generally vest ratably over four years. The 2018 stock options generally vest ratably over a three year service period. Both the 2021 and 2018 stock options are exercisable four to seven years from the date of grant, but only to the extent vested as specified in each option agreement. Stock options awarded are valued based upon the Black - Scholes option pricing model and the Company recognizes this value as stock compensation expense over the periods in which the options vest. Use of the Black Scholes option-pricing model requires that the Company make certain assumptions, including expected volatility, risk-free interest rate, expected dividend yield, and the expected life of the options.

A summary of the option activity for the year ended December 31, 2025 and the period from November 21, 2024 to December 31, 2024 (Successor) and from January 1, 2024 to November 20, 2024 (Predecessor) is as follows:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)
Outstanding as of December 31, 2023	14,068,019	\$ 2.32	4.4
Granted	-	-	
Forfeited	(1,285,000)	2.68	
Outstanding as of November 21, 2024	12,783,019	2.28	0.3
Granted	-		
Forfeited	-		
Outstanding as of December 31, 2024	12,783,019	2.28	0.1
Granted	-		
Exercised	(190,000)	1.80	
Forfeited	(12,593,019)	2.28	
Outstanding as of December 31, 2025	-		-

Upon the Company’s change of control in 2024, all remaining unvested options vested immediately, and the Company recognized all previously unamortized share-based compensation expense at that time. There was no unrecognized stock compensation expense for stock options for the Successor periods ended December 31, 2025 and 2024. There was also no unrecognized stock compensation expense for stock options for the Predecessor period ended November 20, 2024.

All outstanding options were non-qualified options. There were 12,783,0019 options exercisable as of December 31, 2024. As of December 31, 2024, for exercisable options, the weighted-average exercise price was \$2.28, the weighted average remaining contractual term was approximately ninety days and there was no estimated aggregate intrinsic value per share.

Roadrunner Transportation Systems, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

There was no stock-based compensation expense for stock options for the Successor periods ended December 31, 2025 and December 31, 2024. Stock-based compensation expense for the Predecessor period ended November 20, 2024 was \$4.1 million. There was no related estimated income tax benefit recognized in the accompanying consolidated statements of operations, net of estimated forfeitures, for the Successor periods ending December 31, 2025 and December 31, 2024. The related estimated tax benefit for the Predecessor period ending November 20, 2024 was \$0.96 million. The Company recorded tax deficiencies on vested shares of \$0.05 million for the Successor period ended December 31, 2025. There was no benefit recorded for the Successor period ended December 31, 2024 and the Predecessor period ending November 20, 2024. Due to the Company's valuation allowance position, the impact of both the income tax benefit related to stock-based compensation expense and the income tax expense related to tax deficiencies from vested shares are offset by a corresponding adjustment through benefit from income taxes due to the change in valuation allowance for deferred tax assets.

NOTE 10 - INCOME TAXES

The following disclosures are provided with respect to income taxes related to continuing operations only.

The components of the Company's provision (benefit) from income taxes were as follows (in thousands):

	Year Ended December 31, 2025 (Successor)	For the Period from November 21, 2024 to December 31, 2024 (Successor)	For the Period from January 1, 2024 to November 20, 2024 (Predecessor)
Current tax benefit	\$ 54	\$ (1)	\$ 17
Deferred tax benefit	159	-	-
Benefit from income taxes	\$ 213	\$ (1)	\$ 17

The Company's benefit from income taxes varied from the amounts calculated by applying the 21% U.S. statutory income tax rate to the loss before income taxes, primarily due to the effect of the valuation allowance. The increase / (decrease) in valuation allowance was \$0.2 million and (\$12.0) million for the Successor years ending December 31, 2025 and 2024, and \$5.8 million for the Predecessor period from January 1, 2024 to November 20, 2024.

The Company recorded assets for refundable income taxes of \$0.02 million and \$0.06 million as of December 31, 2025 and 2024, respectively. These amounts were classified within prepaids and other current assets.

Roadrunner Transportation Systems, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

The Company's net deferred income tax liabilities of \$1.1 million and \$1.0 million as of December 31, 2025 and December 31, 2024, respectively, are summarized as follows:

	December 31, 2025	December 31, 2024
Deferred tax assets	\$ 89,255	\$ 89,965
Valuation allowance	(65,132)	(65,344)
Deferred tax assets, net of valuation allowance	24,123	24,621
Deferred tax liabilities	(25,256)	(25,596)
Net deferred tax liabilities	\$ (1,134)	\$ (975)

The Company's deferred tax assets consist primarily of temporary differences related to allowances for bad debts, accrued expenses and other current liabilities, operating lease liabilities, as well as tax carryforwards (net operating loss and interest expense). The Company's deferred tax liabilities consist primarily of temporary differences related to prepaid expenses and other current assets, property and equipment, operating lease right-of-use assets and intangible assets.

Management assesses available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets, including through reversals of existing cumulative temporary differences. A significant piece of objective evidence evaluated was the cumulative losses incurred over the three-year periods ended December 31, 2025 and 2024. Such objective evidence limits the ability to consider other subjective evidence, such as the Company's projections for future growth. On the basis of this evaluation, the Company has recorded a valuation allowance of \$65.1 million and \$65.3 million as of December 31, 2025 and 2024, respectively, related to federal and state net operating loss carryforwards, interest expense carryforwards, and other deferred tax assets that are not "more likely than not" to be realized in the future.

The Company has \$243.0 million of federal net operating loss carryforwards as of December 31, 2025 (\$51.0 million tax-effected), generated subsequent to January 1, 2018, which can be carried forward indefinitely. These losses can be utilized to offset taxable income in future years, to the extent of 80% of taxable income generated in those years, until exhausted. The remaining \$9.5 million deferred tax asset for net operating loss carryforwards consists of tax effect of various state net operating loss carryforwards that will generally expire between 2025 and 2045. Some of the Company's net operating loss carryforward amounts are subject to an annual section 382 limitation. However, the Company does not currently expect the annual section 382 limitation to materially impact its ability to utilize the net operating loss carryforward amounts.

The Company has a \$52.1 million interest expense carryforward as of December 31, 2025 (\$12.2 million tax effected). During 2025, tax legislation commonly referred to as the One Big Beautiful Bill Act ("OBBA") was enacted, which included modifications to the computation of adjusted taxable income and other aspects of the Section 163(j) limitation. Among other changes, the OBBA reinstated an EBITDA-based calculation of adjusted taxable income and provided transition rules affecting the utilization of disallowed interest carryforwards. Management has evaluated the impact of this legislation and believes it may increase the Company's ability to utilize existing Section 163(j) interest carryforwards in future periods, depending on the Company's operating results.

The Company has no material unrecognized tax benefits as of December 31, 2025 and 2024 (including related interest or penalties). The effect of unrecognized tax benefits on the benefit from income taxes for

Roadrunner Transportation Systems, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

2025 and 2024 is also not material. Income tax related penalties and interest (including those related to unrecognized tax benefits) are included within benefit from income taxes, and were not material for the years ended December 31, 2025 and 2024.

The Company files income tax returns in the U.S. federal jurisdiction and various state jurisdictions. The Company is generally no longer subject to U.S. federal income tax examinations by tax authorities for years prior to 2022 and various states before 2021. During the year, the Internal Revenue Service (IRS) completed an examination for the year ended December 31, 2021. The examination resulted in no proposed adjustments or assessments. Although these years are no longer subject to examination by the IRS and various state taxing authorities, net operating loss carryforwards generated in those years may still be adjusted upon examination by the IRS or state taxing authorities if they have been or will be used in a future period.

NOTE 11 - GUARANTEES

Lease Purchase Guarantee

The Company provides a guarantee for a portion of the value of certain IC leased tractors. The potential maximum exposure under these lease guarantees was approximately \$1.2 million and \$0.8 million as of December 31, 2025 and 2024, respectively. Upon an IC default, the Company has the option to purchase the tractor or return the tractor to the leasing company if the residual value is greater than the Company's guarantee. Alternatively, the Company can contract another IC to assume the lease. The Company estimated the fair value of its liability under this on-going guarantee to be \$0.2 million and \$0.3 million as of December 31, 2025 and 2024, respectively, and it is included in accrued expenses and other current liabilities.

The Company paid \$0.0 million and \$0.1 million under these lease guarantees for the years ended December 31, 2025 and 2024, respectively.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Employee Benefit Plans

The Company sponsors a defined contribution profit sharing plan for substantially all employees of the Company and its subsidiaries. Total contributions under this plan were \$0.5 million and \$0.3 million for the years ended December 31, 2025 and 2024, respectively.

Auto, Workers Compensation, and General Liability Reserves

In the ordinary course of business, the Company is involved in various legal proceedings arising out of the conduct of its business. These proceedings include claims for property damage or personal injury incurred in connection with the Company's transportation services. Although the ultimate outcome of these matters cannot be predicted with certainty, management does not believe that the resolution of such claims, in the aggregate, will have a material adverse effect on the Company's consolidated financial statements.

The Company maintains insurance coverage for auto liability, general liability, worker's compensation, and cargo claims. The Company is self-insured for auto and general liability and worker's compensation claims up to \$1.0 million per occurrence. Cargo claims are insured for losses in excess of \$100,000 per occurrence. The Company maintains insurance coverage for losses in excess of these self-insured and deductible amounts, subject to policy limits, terms, and conditions. The Company believes that this insurance coverage is adequate to cover potential losses in excess of the Company's self-insured retention.

Roadrunner Transportation Systems, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

The Company believes it has adequate insurance to cover losses in excess of the self-insured and deductible amount. The Company records reserves for estimated claims within its self-insured retention based on historical claims experience, actuarial estimates, and management's evaluation of known claims. As of December 31, 2025 and 2024, the Company had recorded reserves for estimated losses within its self-insured retention of \$15.8 million and \$11.0 million, respectively, included in accrued expenses and other current liabilities.

In 2024 three plaintiffs pursued independent actions in Cook County, Illinois in connection with a single rear-end chain collision that occurred on July 17, 2021 involving an IC of the Company. The plaintiffs were Galloway, Nunez, and the Estate of Semple, deceased. In consideration of a full release of claims, the Company agreed and paid settlement funds totaling \$10 million of which \$3 million was paid in November 2024 by Company below with the remainder paid by the Company's insurers.

General Litigation Proceedings

In December 2018, a class action lawsuit was brought against the Company in the Superior Court of the State of California by Fernando Gomez, on behalf of himself and other similarly situated persons, alleging violation of California labor laws. Mr. Gomez passed away in July 2021, but a new named Plaintiff was substituted in by Counsel. The Company entered into a Joint Stipulation of Class Action Settlement and Release on February 23, 2024. The Company agreed and paid \$850,000, payable in three equal installments in the months of November 2024 and January and February 2025.

On April 2, 2021, Griselda Jauregui filed a class action lawsuit against the Company in the Superior Court of the State of California. Jauregui filed the class action on behalf of herself and other similarly situated individuals employed by the Company in a non-exempt position from and after April 2, 2017, alleging various violations of California Labor Code. The Company filed an answer denying all claims and removed the case to Federal Court. The Company expects to pay \$1.9 million payable in two equal payments of \$925,000 in 2026 and 2027.

In September 2023, the Company received a demand letter on behalf of Expedited Freight Systems, Inc ("EFS") from the counsel representing Grossprops, the landlord of EFS' former Kenosha terminal alleging repairs needed at the facility post move out with an initial demand of \$1.4 million. On June 6, 2024, a lawsuit was filed alleging the same. The Company will continue to monitor developments in the litigation and will assess the need for additional disclosure in future reporting periods.

In addition to the legal proceeding described above, the Company is a defendant in various other legal matters arising in the ordinary course of business. As of the years ended December 31, 2025 and 2024, the Company recorded a liability for settlements, litigation, and defense costs related to all labor matters of \$3.6 million and \$3.8 million, respectively, which are recorded in accrued expenses and other current liabilities.

NOTE 13 - RELATED PARTY TRANSACTIONS

On December 21, 2020, the Company entered into a sale-leaseback transaction with LyonIX Holdings, LLC ("LyonIX"), which is controlled by the Company's Executive Chairman and Chief Executive Officer. Simultaneously, the Company entered into an operating lease agreement with LyonIX for transportation related equipment, such as trailers, forklifts and yard hostlers in two tranches that had termination dates in November 2025 and November 2027. On July 3, 2024, the Company executed an amended and restated lease, which altered the monthly rental cost and added a bargain purchase option converting them to finance leases. The leases have an average remaining life of 1.9 years. The Company paid an aggregate of \$1.5 million and \$0.1 million for the Successor periods ended December 31, 2025 and December 31, 2024, respectively, and paid \$1.4 million for the Predecessor period ended November 20, 2024. On

Roadrunner Transportation Systems, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

November 21, 2024, the Company executed the Prospero Note with Prospero Lender LLC for up to \$20.0 million. It bears interest at 12.50% per annum, which is payable in kind. It matures on the earliest of February 21, 2030, or 91 days before the maturity of any other subordinated indebtedness of the Company. See Note 6 – Debt for additional details.

NOTE 14 - SUBSEQUENT EVENTS

The Company has evaluated subsequent events through March 31, 2026, the date these consolidated financial statements were issued. Based upon this review, the Company did not identify any subsequent events and has concluded all such events that would require recognition or disclosure have been recognized or disclosed.