



2026 Annual Report

The Goodheart-Willcox Company, Inc.



Three-Year Summary

<i>(Dollars in Thousands, except per share data)</i>	Years Ended April 30,		
	2026	2025	2024
Selected Income Statement Data:			
Revenue	\$58,780	\$60,812	\$54,246
Costs and expenses	47,091	44,981	42,115
Other income	3,669	4,051	2,833
Income taxes	2,731	4,065	2,848
Net income	12,627	15,817	12,116
Income per common share	\$31.06	\$38.89	\$30.60
Weighted average number of shares outstanding	406,517	406,740	395,945
Dividends declared per share	\$20.75	\$29.25	\$26.50
Selected Balance Sheet Data:			
Total assets	\$115,831	\$134,529	\$110,988
Total stockholders' equity	34,435	36,520	30,284

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The front and back covers of this 2026 Annual Report continue the style used in previous reports by illustrating typical textbooks published by Goodheart-Willcox in fiscal 2026. Please visit www.g-w.com to view the entire product line devoted to preparing people for their lives and careers.

To Our Shareholders

Fiscal 2026 was a foundational year for Goodheart-Willcox, as we built on the exceptional financial performance of the prior year and made deliberate, strategic investments in technology and talent to position the Company for long-term sustainable growth. While the external environment presented challenges, we remained steadfast in our mission, *Preparing Students for their Lives and Careers*, and continued evolving our product offerings and capabilities to meet the changing needs of the instructors and learners we serve.

Financial Performance

Goodheart-Willcox delivered solid financial performance in Fiscal 2026 with Revenue of \$58,780,000, a 3.3% decrease from last year's record results. The modest decline reflects softer demand in the school channel, driven in part by funding uncertainty across key markets. Operating Expenses were \$41,413,000, an increase of \$2,266,000 or 5.8% compared to the prior year. This increase was intentional, reflecting targeted investments in technology and talent to support our long-term growth strategy. Net Income was \$12,627,000, a decrease of \$3,189,000 or 20.2% as compared to the prior year. Net Income as a percentage of Revenue decreased to 21.5% versus 26.0% in the prior year.

These results supported a \$20.75 per share dividend, a reflection of the Company's strong financial position and continued commitment to deliver value to our shareholders.

Technology Investment

Our most significant achievement in FY 2026 was the successful implementation of a new enterprise resource planning (ERP) system—one of the most complex and high-risk transformations an organization can undertake. This milestone marks a major step forward in modernizing our infrastructure and strengthening the foundation needed for future growth and scalability. This accomplishment reflects the dedication of employee owners across the company who invested countless hours in system design, testing, training, and data conversion. Their commitment, perseverance, and willingness to embrace change were essential to our success. Despite the inherent challenges that accompany any ERP go-live, our customers experienced minimal disruptions as we continued to deliver exceptional service throughout our transition. Optimizing the new ERP system will remain a key area of investment and strategic focus in the years ahead.

Strategic Growth through Innovation

Over this past year, we advanced our strategic vision by investing in innovation that strengthens our product portfolio, elevates the customer experience, and positions us for long-term growth. Our efforts centered on four pillars: product development, digital transformation, customer success, and market responsiveness.

- **Product Development:** We continue to expand and enhance our digital offerings, deepening our commitment to delivering high-quality, outcome-driven learning solutions. Elevating our digital assets—including videos, animations, simulations, and hands-on activities—to enrich and extend the content found in our core instructional materials continues to be a strategic investment priority. These enhancements foster more dynamic teaching and learning, ensuring our products remain engaging, rigorous, and aligned to evolving classroom needs.
- **Digital Transformation:** A major milestone this year was the successful launch and rollout of G-W Assessment, our next-generation digital assessment offering. Following the product introduction last year, our focus shifted to ensuring customers fully leverage our new capabilities to drive instruction and improve learning outcomes. We supported a smooth transition for existing customers, strengthened authoring tools, enhanced the user experience, and developed more rigorous and varied assessment content. These improvements reflect our ongoing commitment to building digital solutions that are easy to use, are grounded in strong instructional design, and are instructionally impactful.

- **Customer Success:** To better support the full customer life cycle, we established a dedicated Customer Success organization. This new team will provide proactive guidance from presales through implementation, ongoing support, and renewal. By aligning resources around the customer journey, we are improving onboarding, strengthening customer relationships, and ensuring that educators receive the support they need to achieve successful outcomes with our solutions and continue using our products.
- **Market Responsiveness:** Adoption requirements continue to evolve as states demand more dynamic instructional design, stronger teacher and learner support, and increasingly specific content tailored to their individual standards and priorities. This new landscape requires significant investment in content development, digital enhancements, and state-specific adaptations to ensure our programs remain competitive and compliant in this rapidly shifting landscape.

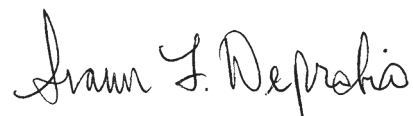
ESOP Advantage

As we mark more than 25 years as an employee-owned company, we remain proud of the opportunities this structure creates—for our long-tenured employees approaching retirement and for the next generation of employee-owners who will drive our future success. The ESOP strengthens our culture of accountability and collaboration while helping us attract and retain exceptional talent. Our ownership culture continues to be a defining strength of Goodheart-Willcox. The collective mindset of our employee owners was instrumental in navigating the complexities of the ERP implementation and advancing our strategic priorities. This shared ownership model not only differentiates us in the marketplace but also serves as a powerful competitive advantage that fuels our long-term growth and resilience.

Looking Ahead

The future is bright. The nation’s need for skilled workers has never been greater, and our mission—to teach students how to build healthy, productive lives—has never been more essential. Every day, we help prepare learners not only for meaningful careers, but also for the responsibilities and opportunities that shape their lives beyond the classroom.

We are grateful to our shareholders for their support, to our partners who share our mission, to our exceptional authors whose thought leadership drives the quality of our content, and to the instructors who do the heavy lifting—guiding, training, and inspiring their students. Their commitment brings our mission to life. *Together, We Build Careers.*



Shannon DeProfio
President & CEO
The Goodheart-Willcox Company

The Goodheart-Willcox Company, Inc. and Subsidiary

Consolidated Statements of Income and Other Comprehensive Income

	Years Ended April 30,		
<i>(Dollars in Thousands, except per share data)</i>	2026	2025	2024
Revenue	\$58,780	\$60,812	\$54,246
Cost of goods sold	5,678	5,835	5,232
Gross profit	53,102	54,977	49,014
Operating expenses			
Selling, general and administrative	36,510	34,128	32,362
Royalties	4,903	5,018	4,521
Total operating expenses	41,413	39,146	36,883
Operating profit	11,689	15,831	12,131
Other income	3,669	4,051	2,833
Income before income taxes	15,358	19,882	14,964
Income taxes	2,731	4,065	2,848
Net income	\$12,627	\$15,817	\$12,116
Other Comprehensive (Loss) Income			
Net unrealized (loss) gain on available-for-sale securities, net of tax	(455)	424	393
Total comprehensive income	\$12,172	\$16,241	\$12,509
Income per common share	\$31.06	\$38.89	\$30.60
Weighted average number of shares outstanding	406,517	406,740	395,945

The Goodheart-Willcox Company, Inc. and Subsidiary
Consolidated Balance Sheets

	Years Ended April 30,	
<i>(Dollars in Thousands)</i>	2026	2025
ASSETS		
Current assets:		
Cash and cash equivalents	\$4,199	\$31,178
Investment in available-for-sale securities	73,303	66,356
Accounts receivable, net	5,590	4,358
Inventories, net	2,467	3,072
Other current assets	2,056	1,595
Total current assets	87,615	106,559
Prepublication costs, net	1,992	1,766
Capitalized contract acquisition costs, net	6,797	7,376
Property and equipment, net	4,237	4,556
Deferred income taxes, net	12,971	12,315
Other non-current assets	2,219	1,957
TOTAL ASSETS	\$115,831	\$134,529
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$844	\$1,258
Accrued compensation	2,361	2,189
Accrued other expenses	1,747	1,288
Deferred revenue	21,321	21,450
Dividends payable	9,257	13,634
Royalties payable	476	410
Other current liabilities	—	8,996
Total current liabilities	36,006	49,225
Long-term liabilities:		
Deferred revenue, net of current portion	43,991	47,474
Other long-term liabilities	1,399	1,310
Total long-term liabilities	45,390	48,784
TOTAL LIABILITIES	81,396	98,009
TOTAL STOCKHOLDERS' EQUITY	34,435	36,520
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$115,831	\$134,529

The Goodheart-Willcox Company, Inc. and Subsidiary
Consolidated Statements of Stockholders' Equity

For the three years ended April 30, 2026

<i>(Dollars in Thousands, except per share data)</i>	Common Stock	Unearned ESOP Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	AOCI*	Total
Balance at April 30, 2023	\$762	\$(9,142)	\$19,594	\$(30,819)	\$44,083	\$(435)	\$24,043
Net income for the year					12,116		12,116
Net unrealized gains on available- for-sale securities, net of tax						393	393
ESOP shares committed to be released		605	1,020				1,625
Issuance of 10,177 shares of common stock from treasury			2,476	339			2,815
Cash dividends declared (\$26.50 per share)					(10,708)		(10,708)
Balance at April 30, 2024	\$762	\$(8,537)	\$23,090	\$(30,480)	\$45,491	\$(42)	\$30,284
Net income for the year					15,817		15,817
Net unrealized gains on available- for-sale securities, net of tax						424	424
ESOP shares committed to be released		607	1,362				1,969
Cash dividends declared (\$29.25 per share)					(11,974)		(11,974)
Balance at April 30, 2025	\$762	\$(7,930)	\$24,452	\$(30,480)	\$49,334	\$382	\$36,520
Net income for the year					12,627		12,627
Net unrealized losses on available- for-sale securities, net of tax						(455)	(455)
ESOP shares committed to be released		605	1,438				2,043
Purchase of 20,000 shares of common stock from treasury				(8,110)			(8,110)
Cash dividends declared (\$20.75 per share)					(8,190)		(8,190)
Balance at April 30, 2026	\$762	\$(7,325)	\$25,890	\$(38,590)	\$53,771	\$(73)	\$34,435

*Accumulated Other Comprehensive Income (Loss)

The Goodheart-Willcox Company, Inc. and Subsidiary

Consolidated Statements of Cash Flow

	Years Ended April 30,		
<i>(Dollars in Thousands)</i>	2026	2025	2024
Cash flow from operating activities:			
Net income	\$12,627	\$15,817	\$12,116
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation expense	473	356	406
Amortization of prepublication costs	767	624	392
Amortization of contract acquisition costs	1,756	2,755	2,459
ESOP shares committed to be released	2,043	1,969	1,625
Effect of unpaid dividends on unallocated ESOP shares	(592)	15	297
Deferred income taxes	(501)	657	(4,946)
Loss on disposal	—	—	31
Gain on available-for-sale securities	(134)	(382)	(281)
Changes in operating assets and liabilities			
Accounts receivable	(1,231)	(472)	2,194
Inventories	605	136	155
Contract acquisition costs	(1,177)	(3,437)	(2,552)
Other assets	(1,756)	(1,302)	(835)
Accounts payable	(385)	(101)	229
Accrued expenses	754	325	(170)
Deferred revenue	(3,612)	6,834	860
Net cash provided by operating activities	9,637	23,794	11,980
Cash flows from investing activities:			
Purchases of property and equipment	(154)	(579)	(194)
Purchases of prepublication	(993)	(589)	(1,036)
Change in cash surrender value	(5)	(5)	(5)
Purchases of available-for-sale securities	(92,190)	(46,313)	(68,206)
Sales of available-for-sale securities	76,811	48,276	50,483
Net cash (used in) provided by investing activities	(16,531)	790	(18,958)
Cash flows from financing activities:			
Dividends paid	(11,975)	(10,708)	(7,772)
Purchase of common stock from treasury	(8,110)	—	—
Issuance of common stock from treasury	—	—	2,815
Net cash used in financing activities	(20,085)	(10,708)	(4,957)
Net (decrease) increase in cash and cash equivalents:	(26,979)	13,876	(11,935)
Cash and cash equivalents at the beginning of year	31,178	17,302	29,237
Cash and cash equivalents at the end of year	\$4,199	\$31,178	\$17,302
Supplemental disclosure of cash flow information:			
Cash paid during the year for income taxes	\$3,339	\$3,402	\$8,430
Supplemental disclosure of noncash investing activities:			
Payable for settlement of securities purchased	—	\$8,996	—
Supplemental disclosure of noncash financing activities:			
Dividends payable	\$8,190	\$11,974	\$10,708

The Goodheart-Willcox Company, Inc. and Subsidiary

Notes to Consolidated Financial Statements April 30, 2026, 2025, and 2024

(Dollars in Thousands, except per share data)

Note A – Summary of significant accounting policies

The Goodheart-Willcox Company, Inc. (“the Company”), a Delaware corporation, publishes print and digital instructional materials on skilled trades, career and technical education, and health and physical education.

The Company’s activities include the search for authors, market research, development of content, design, illustration, marketing, sales, implementation, training, support, and professional development. Printing and binding of books are done by outside contractors. The Company’s sales are primarily domestic, and the Company’s customer base includes public and private schools, community colleges, career colleges, businesses, trade associations, government accounts, retail book chains, and resellers. Historically, the Company has experienced its highest level of sales in the first and second quarters and its lowest level in the fourth quarter. This pattern has resulted from the purchasing habits of its school customers.

A summary of the significant accounting policies applied in the accompanying consolidated financial statements is as follows:

Principles of consolidation. The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, G/W Investment Company, Inc. All significant intercompany transactions have been eliminated in consolidation.

Revenue recognition. The Company follows Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers* (“ASC 606”). See Note C for further discussion regarding the Company’s revenue recognition policy.

Customer concentration. The Company’s customer concentration is subject to variability due to the purchasing patterns of its customers, many of whom operate on multi-year adoption or upgrade cycles. As a result, in any given fiscal year, the Company may have one or more customers that each account for 10% or more of total revenue. However, it is uncommon for the same customer to contribute significantly to revenue in consecutive years.

Particularly in the middle and high schools sales channel, a large state adoption may result in one customer representing a significant portion of revenue in one year, and that customer may not make substantial purchases in the following 1–7 years but may return as a significant contributor in a future period. This dynamic results in year-to-year variability in customer concentration, which the Company monitors as part of its risk management practice.

As of April 30, 2026 and 2025, approximately 34% and 29%, respectively, of the Company’s accounts receivable were due from two customers. During the years ended April 30, 2026 and 2025, sales to these customers represented approximately 5% and 6% of total revenue, respectively.

Cash and cash equivalents. The Company considers all highly liquid debt instruments with a maturity of three months or less from the date of purchase to be cash equivalents. It is the Company’s policy to include investments in short-term municipals at \$1 carrying value as a cash equivalent. The Company maintains its cash balances in one financial institution in which at times the balance on deposit may exceed the maximum limits insured by the FDIC.

Investment in available-for-sale securities. Investments in available-for-sale securities consist primarily of marketable debt securities with maturities up to 3 years and credit ratings of A or better. Investments in available-for-sale securities are reported at fair value based on quoted market prices, and purchases and sales are recorded on the trade date. The Company recognized \$134, \$382, and \$281 realized gain for the years ended April 30, 2026, 2025, and 2024, respectively. Such amounts are included within other income

The Goodheart-Willcox Company, Inc. and Subsidiary

Notes to Consolidated Financial Statements April 30, 2026, 2025, and 2024 continued

(Dollars in Thousands, except per share data)

Note A – Summary of significant accounting policies—continued

in the Consolidated Statements of Income and Other Comprehensive Income. The Company recognized an additional pretax unrealized (loss) gain of \$(610), \$570, and \$523 in the years ended April 30, 2026, 2025, and 2024, respectively, which is included in other comprehensive income.

Fair value of financial instruments. ASC Topic 820, *Fair Value Measurements and Disclosures*, provides a framework for measuring fair value of assets and liabilities in accordance with GAAP and establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs and other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The fair value of cash, accounts receivable, and accounts payable approximate the carrying value due to immediate or short-term maturity of these financial instruments.

Accounts receivable and credit losses. The Company grants trade credit to its customers located primarily throughout the United States and Canada. Receivables are valued at management's estimate of the amount that will ultimately be collected.

The Company is exposed to credit losses primarily through accounts receivable with customers. Accounts receivable, net, is stated at amortized cost net of provision for credit losses. The Company's expected credit loss allowance methodology for accounts receivable, net, requires an estimation of loss rates based upon historical loss experience adjusted for factors that are relevant to determining the expected collectibility of accounts receivable. Such factors include delinquency trends; aging behavior of receivables; and credit and liquidity indicators for industry groups, customer classes, or individual customers. Prior to the adoption of ASU No. 2025-05 referenced below, the Company considered reasonable and supporting forecasts of the economic and geopolitical conditions that might exist through the contractual life of the asset. The provision for credit losses is reviewed and revised periodically.

Accounts receivable is evaluated on a pool basis that is based on customer groups with similar risk characteristics. This includes consideration of the following factors to develop these pools: size of the customer, industry, geographical location, historical risk, public (government) or private (corporate, Not-For-Profit) funding status, and the types of services or products sold. Additionally, specific allowance amounts are established to record the appropriate provision for customers that have a higher probability of default. The Company's monitoring activities include timely account reconciliation, holds on delinquent customer accounts, dispute resolution, payment confirmation, consideration of clients' financial conditions and macroeconomic conditions. Balances are written off when determined to be uncollectible.

In July 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. The ASU introduced a practical expedient for estimating expected credit losses on current accounts receivable and current contract assets arising from transactions accounted for under ASC 606, *Revenue from Contracts with Customers*. Under the practical expedient, the Company assumes that current conditions as of the consolidated balance sheet date will not change for the remaining life of the asset. The Company adopted the practical expedient on May 1, 2025 on a prospective basis. The adoption of this guidance did not have a significant impact on the financial statements.

The following table presents the change in provision for credit losses, which is presented within "Accounts receivable, net" on the Consolidated Balance Sheets for the period indicated below:

The Goodheart-Willcox Company, Inc. and Subsidiary

Notes to Consolidated Financial Statements April 30, 2026, 2025, and 2024 continued

(Dollars in Thousands, except per share data)

Note A – Summary of significant accounting policies—continued

	April 30, 2026	April 30, 2025
Balance at beginning of period	\$15	\$878
Current period provision (benefit)	21	(829)
Amounts written off, less recoveries	(21)	(34)
Balance at end of period	\$15	\$15

The Company performs ongoing credit evaluations of its customers and maintains allowances for current expected credit losses. Management believes that the credit risk associated with these receivables is limited due to the customers' historical payment performance and financial conditions.

There was no provision for credit losses in the Company's available-for-sale debt securities at April 30, 2026 and 2025.

Inventories. Inventories are valued at the lower of cost or net realizable value. The Company reviews the value of inventory based on historical sales, forecasted demand, contractual commitments, and textbook revision schedules to establish an allowance for excess and obsolete finished goods inventory. Costs for finished goods are determined by the last-in, first-out (LIFO) method. Cost includes the purchase of paper, printing, binding, and inbound freight costs from suppliers.

Even though some books will not be sold in the current period, large quantities of books are printed initially for stock due to economies of scale. Management feels that substantially all books will be sold in the current period and, therefore, classifies all inventories as current assets. Certain physical inventory must be retained for the length of state textbook adoption periods to avoid "out-of-stock penalties."

Property and equipment. Property and equipment are carried at cost less accumulated depreciation. Depreciation is calculated on the straight-line method for building and improvements, and on the accelerated method for furniture, fixtures, and equipment over the estimated useful lives of the assets.

Expenditures for repairs and maintenance are charged against income when incurred, and replacements are capitalized. Gains or losses on dispositions of property and equipment are included within selling, general, and administrative expenses in the Consolidated Statements of Income and Other Comprehensive Income.

Cloud computing. The Company follows the provisions of ASC Subtopic 350-40, *Customers Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract*, which requires that capitalized costs be amortized over the associated term of the arrangement, generally on a straight-line basis, with amortization of these costs presented in the same financial statement line item as other costs associated with the arrangement. The Company capitalizes costs incurred in the purchase and development of internal-use software, which include external direct costs of software, consultants, and payroll and payroll-related costs for employees directly involved in the project.

The software development process is divided into three stages: the preliminary project stage, the application development stage, and the postimplementation/operation stage. Costs incurred during the preliminary project stage and postimplementation/operation stage are expensed as incurred. Only costs incurred during the application development stage are eligible for capitalization.

The Company has recorded cloud computing arrangement costs in other non-current assets of \$1,858 and \$1,425 in the Consolidated Balance Sheets as of April 30, 2026 and 2025, respectively. Amortization

The Goodheart-Willcox Company, Inc. and Subsidiary

Notes to Consolidated Financial Statements April 30, 2026, 2025, and 2024 continued

(Dollars in Thousands, except per share data)

Note A – Summary of significant accounting policies—continued

of capitalized cloud computing arrangement costs of \$491 and \$0 is included in selling, general and administrative expenses in the Consolidated Statements of Income and Other Comprehensive Income for the years ended April 30, 2026 and 2025, respectively.

Prepublication costs. The Company capitalizes certain outside contractor costs associated with content creation, including manuscript review, development, photography and artwork, and preparation costs. Prepublication costs are amortized over a period of 2–4 years under the straight-line method. Prepublication costs are shown in the Consolidated Balance Sheets net of accumulated amortization of \$2,135 and \$1,608 as of April 30, 2026 and 2025, respectively.

Advertising costs. The Company expenses advertising costs as incurred. Advertising costs were \$471, \$440, and \$480 in 2026, 2025, and 2024, respectively, and are included in selling, general and administrative expenses in the Consolidated Statements of Income and Other Comprehensive Income.

Editorial costs. Editorial internal labor costs are charged to expense as incurred and are included in selling, general and administrative expenses in the Consolidated Statements of Income and Other Comprehensive Income.

Other comprehensive income and accumulated other comprehensive income (loss). Other comprehensive income includes unrealized gains (losses), net of tax, on available-for-sale securities.

	<u>April 30, 2026</u>	<u>April 30, 2025</u>
Accumulated Other Comprehensive Income (Loss)		
Balance at beginning of period	\$382	\$(42)
Other comprehensive income (loss)		
Unrealized (loss) gain on available-for-sale securities, net of tax	(455)	424
Balance at end of period	<u>\$(73)</u>	<u>\$382</u>

Income taxes. Deferred income taxes are recorded to reflect the tax consequences on future years of temporary differences between the tax bases of assets and liabilities and their financial reporting amounts. Deferred tax assets and liabilities are adjusted for the effects of the changes in tax laws and rates of the date of enactment. The Company follows the provisions of ASC Topic 740, *Accounting for Income Taxes*, which prescribes a comprehensive model for the financial statement recognition, measurement, presentation, and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. Under this provision, the Company classifies net deferred tax assets and liabilities as non-current in the accompanying Consolidated Balance Sheets.

Earnings per share. Earnings per share is computed on the weighted average number of shares outstanding for the period. For purposes of computing earnings per share, unreleased ESOP shares are not considered outstanding. ESOP shares committed to be released during the year are considered to become outstanding ratably throughout the year.

Common stock. The Company has 1,000,000 shares of \$1 par value common stock authorized and 762,000 shares issued, of which 446,108 and 466,108 (net of 315,892 and 295,892 shares which have been repurchased by the Company and held as treasury stock) are shares outstanding as of April 30, 2026 and 2025, respectively. As of April 30, 2026 and 2025, respectively, the Company had 394,713 and 409,398 (net of 51,395 and 56,710 unreleased ESOP shares, respectively) shares outstanding for purposes of computing earnings per share.

The Goodheart-Willcox Company, Inc. and Subsidiary

Notes to Consolidated Financial Statements April 30, 2026, 2025, and 2024 continued

(Dollars in Thousands, except per share data)

Note A – Summary of significant accounting policies—continued

Pervasiveness of estimates. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent and upcoming accounting pronouncements. In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. ASU 2024-03 adds Subtopic 220-40, *Expense Disaggregation Disclosures*, to the Accounting Standards Codification. The ASU requires public business entities to disclose in the notes to their financial statements disaggregated information, in tabular format, about relevant expense captions that are presented on their annual and interim income statements. ASU 2024-03 provides entities with a choice of adopting the disclosure requirements on a prospective or retrospective basis. This ASU is effective for public business entities for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. This ASU is effective for the Company's annual consolidated financial statements beginning on May 1, 2027. The adoption of ASU 2024-03 is not expected to have a significant impact on the Company's consolidated financial position or results of operations. The Company is currently evaluating the impact of these new requirements on the footnote disclosures to its consolidated financial statements.

In September 2025, the FASB issued ASU No. 2025-06, *Targeted Improvements to the Accounting for Internal-Use Software*, which updates the requirements and evaluation process for the capitalization of internal-use software costs. The ASU is effective for the Company for its fiscal year and interim reporting periods beginning May 1, 2028. Early adoption and prospective application are permitted. The Company is currently evaluating the provisions of this ASU and its potential impact on its Consolidated Financial Statements. At this time, the Company has not yet determined the effect, if any, that the adoption of this guidance will have on its Consolidated Balance Sheets, Statements of Income and Other Comprehensive Income, or Statements of Cash Flow.

In the current reporting period, the Company adopted ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. This ASU provides for improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The adoption of this standard expanded our disclosures but did not have a material impact on our consolidated financial statements. The Company has applied the amendments of this ASU on a prospective basis.

Subsequent events. The Company has evaluated its subsequent events through July 7, 2026, which represents the date the consolidated financial statements were available to be issued.

Note B – Fair value disclosures

The following is a description of the valuation methodologies used for instruments measured at fair value:

Government agencies' bonds and notes. Valuation inputs utilized by the independent pricing services for those U.S. Treasury and federal agency securities under Level 2 include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, benchmark securities, bids, offers, and reference data including market research publications. Also included are data from the vendor trading platform.

Domestic corporate obligations. Valuation inputs utilized by the independent pricing services for the domestic corporate obligations under Level 2 include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, benchmark securities, bids, offers, and reference data including market research publications.

The Goodheart-Willcox Company, Inc. and Subsidiary

Notes to Consolidated Financial Statements April 30, 2026, 2025, and 2024 continued

(Dollars in Thousands, except per share data)

Note B – Fair value disclosures—continued

Developed market corporate obligations. Valuation inputs utilized by the independent pricing services for the developed market corporate obligations under Level 2 include benchmark yields, reported trades, broker-dealer quotes, issuer spreads, benchmark securities, bids, offers, and reference data including market research publications.

Short-term cash equivalents. The fair value of short-term cash equivalents under Level 1 is the market value based on quoted market prices, when available, or market prices provided by recognized broker-dealers.

Assets and liabilities measured at fair value on a recurring basis as of April 30, 2026 and 2025 are summarized as follows:

	April 30, 2026						Gross Unrealized Gains (Losses)
	Fair Value			Cost			
	Total	Level 1	Level 2	Total	Level 1	Level 2	
Available for-sale securities							
Government agencies' bonds and notes	\$41,809	—	\$41,809	\$41,919	—	\$41,919	\$(110)
Domestic corporate obligations	29,984	—	29,984	29,981	—	29,981	3
Developed market corporate obligations	1,510	—	1,510	1,500	—	1,500	10
Total available-for-sale securities	73,303	—	73,303	73,400	—	73,400	(97)
Short-term cash equivalents	82	82	—	82	82	—	—
Total fair valued assets	\$73,385	\$82	\$73,303	\$73,482	\$82	\$73,400	\$(97)

	April 30, 2025						Gross Unrealized Gains (Losses)
	Fair Value			Cost			
	Total	Level 1	Level 2	Total	Level 1	Level 2	
Available for-sale securities							
Government agencies' bonds and notes	\$39,520	\$3,159	\$36,361	\$39,282	\$3,159	\$36,123	\$238
Domestic corporate obligations	22,599	—	22,599	22,361	—	22,361	\$237
Developed market corporate obligations	4,237	—	4,237	4,200	—	4,200	37
Total available-for-sale securities	66,356	3,159	63,197	65,843	3,159	62,684	512
Short-term cash equivalents	12,352	12,352	—	12,352	12,352	—	—
Total fair valued assets	\$78,708	\$15,511	\$63,197	\$78,195	\$15,511	\$62,684	\$512

As of April 30, 2026 and 2025, the Company did not have any investments with Level 3 inputs.

The Goodheart-Willcox Company, Inc. and Subsidiary

Notes to Consolidated Financial Statements April 30, 2026, 2025, and 2024 continued

(Dollars in Thousands, except per share data)

Note B – Fair value disclosures—continued

At April 30, 2025, there were three trades executed between April 29, 2025 and April 30, 2025 that did not settle until May 1, 2025 and May 8, 2025. The cash payable position at April 30, 2025 represents the funding required to settle the trades upon settlement. The amount of the unsettled purchase funding of \$8,996 is accounted for as other current liabilities in the Consolidated Balance Sheets at April 30, 2025.

Note C – Revenue recognition, contracts with customers

Revenue from contracts with customers is recognized using a five-step model consisting of the following: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the Company satisfies a performance obligation. Performance obligations are satisfied when the Company transfers control of a good or service to a customer, which can occur over time or at a point in time. The amount of revenue recognized is based on the consideration to which the Company expects to be entitled in exchange for those goods or services, including the expected value of variable consideration. The customer's ability and intent to pay the transaction price is assessed in determining whether a contract exists with the customer. If collectibility of substantially all the consideration in a contract is not probable, consideration received is not recognized as revenue unless the consideration is nonrefundable and the Company no longer has an obligation to transfer additional goods or services to the customer or collectibility becomes probable.

The revenue from the sale of printed products is recognized at the time when control of such products passes to the customer, generally upon shipment from the Company warehouse or outside depositories. The Company recognizes revenue from the sale of digital online content ratably over the subscription period, which ranges from 1 to 8 years, with the deferral of revenue being reported on the Consolidated Balance Sheets as deferred revenue. Where a contract contains multiple performance obligations, such as the delivery of printed products, supplementary materials, and/or digital online content, revenue is allocated on the basis of relative standalone selling prices. Where a contract contains variable consideration, significant estimation is required to determine the progress towards delivering the performance obligation. Amounts charged to customers for shipping and handling are included in sales, and the costs are included in cost of goods sold. Shipping and handling revenue and costs are not material to the Company's financial statements. Sales and other taxes are presented on a net basis and excluded from revenues.

For digital online content sales, the deferral of revenue relates to the Company's performance obligation to continue to deliver that digital content for the duration of the contract. The costs to maintain, support, and deliver digital content is included in the Consolidated Statement of Income and Other Comprehensive Income as Costs of goods sold. The timing of revenue recognition may not align with the right to invoice the customer. The Company records accounts receivable when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. If revenue has not yet been recognized, a contract liability (deferred revenue) also is recorded. Opening balances as of May 1, 2024, were as follows:

Accounts receivable, net	\$ 3,868
Deferred revenue	62,090

For sales that include a right of return, which primarily includes printed products returned in new or salable condition within 6 months of the invoice date, the Company will estimate the transaction price and record revenues as variable consideration based on the amounts the Company expects to ultimately be entitled to. In order to determine estimated returns, the Company utilizes historical and forecasted return rates, sales patterns, types of products, and salability of returned goods and recognizes a reduction to revenue, cost of goods sold, and royalty expense. In addition, a refund liability, \$1,577 and \$1,145 as of April 30, 2026 and 2025,

The Goodheart-Willcox Company, Inc. and Subsidiary

Notes to Consolidated Financial Statements April 30, 2026, 2025, and 2024 continued

(Dollars in Thousands, except per share data)

Note C – Revenue recognition, contracts with customers—continued

respectively, is recorded within accrued other expenses for the consideration to which the Company believes it will not ultimately be entitled; a return asset is recorded within inventory for the expected inventory to be returned; and a reduction of royalty payable is recorded for the royalty related to the sales refund liability.

Contract acquisition costs. Contract acquisition costs represent costs, specifically sales commissions and royalties, directly associated with entering into contracts with customers which will benefit a period greater than 12 months and are expected to be recovered. Such costs, \$6,797 and \$7,376 net of accumulated amortization of \$12,415 and \$10,659 as of April 30, 2026 and 2025, respectively, are shown on the Consolidated Balance Sheets and amortized ratably over the average term of the contracts with the customers.

The following table presents revenue disaggregated by product line for the years ended April 30, 2026, 2025, and 2024:

	2026	2025	2024
Printed products (point in time)	\$27,031	\$31,557	\$28,093
Digital online content (over time)	31,085	28,235	24,534
Other	664	1,020	1,619
Total revenue	\$58,780	\$60,812	\$54,246

The following table presents revenue disaggregated by customer channel for the years ended April 30, 2026, 2025, and 2024:

	2026	2025	2024
Middle and high schools	\$37,067	\$43,646	\$36,684
Colleges	12,737	10,002	10,484
Private career schools	3,156	2,244	2,233
Business, industry & government	2,456	2,133	2,211
Other	3,364	2,787	2,634
Total revenue	\$58,780	\$60,812	\$54,246

For the years ended April 30, 2026, and 2025, the Company estimates that it recognized as revenue substantially all of the current deferred revenue balance at April 30, 2025, and 2024, respectively.

As of April 30, 2026, the aggregate amount of the transaction price allocated to remaining performance obligations is approximately \$65,312. The Company expects that approximately \$21,321 will be recognized in the next year, \$28,269 will be recognized in years two through three, and the remaining \$15,722 will be recognized in years four through eight.

Note D – Inventories

Inventories at April 30, 2026 and 2025 consist of the following:

	2026	2025
Finished goods	\$3,394	\$3,867
Allowance for excess and obsolete finished goods inventory	(927)	(795)
	\$2,467	\$3,072

The Goodheart-Willcox Company, Inc. and Subsidiary

Notes to Consolidated Financial Statements April 30, 2026, 2025, and 2024 continued

(Dollars in Thousands, except per share data)

Note D – Inventories—continued

Inventories would have been \$3,545 and \$3,512 higher at April 30, 2026 and 2025, respectively, if the first-in, first-out method of accounting had been used on all inventories. The use of the LIFO method, as opposed to the FIFO method, decreased (increased) net income by approximately \$24 or \$0.06 per share, \$(6) or \$(0.02) per share, and \$115 or \$0.29 per share in the years ended April 30, 2026, 2025, and 2024, respectively.

Note E – Property and equipment

Property and equipment at April 30, 2026 and 2025 consist of the following:

	Estimated Useful Life	2026	2025
Land		\$739	\$739
Building and improvements	10–40 years	7,295	7,295
Furniture, fixtures, and equipment	3–7 years	3,405	4,053
Construction in progress		—	515
		<u>11,439</u>	<u>12,602</u>
Less accumulated depreciation		<u>(7,202)</u>	<u>(8,046)</u>
		<u>\$4,237</u>	<u>\$4,556</u>

Depreciation expense totaled \$473, \$356, and \$406 for the years ended April 30, 2026, 2025, and 2024, respectively.

Note F – Income taxes

Income tax expense (benefit) for the year ended April 30, 2026 consists of the following:

Current	2026
Federal	\$2,559
State	673
Current Total	<u>3,232</u>
Deferred	
Federal	(407)
State	(94)
Deferred Total	<u>(501)</u>
Total	
Federal	2,152
State	579
Total	<u>\$2,731</u>

Income tax expense (benefit) for the years ended April 30, 2025 and 2024 consist of the following:

	2025	2024
Current		
Federal	\$2,856	\$6,214
State	552	1,580
	<u>3,408</u>	<u>7,794</u>
Deferred	657	(4,946)
Total income tax expense	<u>\$4,065</u>	<u>\$2,848</u>

The Goodheart-Willcox Company, Inc. and Subsidiary

Notes to Consolidated Financial Statements April 30, 2026, 2025, and 2024 continued

(Dollars in Thousands, except per share data)

Note F – Income taxes—continued

A reconciliation of income taxes computed at the blended Federal statutory rate and income tax expense for the year ended April 30, 2026, is as follows:

	2026	
	<i>In thousands</i>	<i>Rate</i>
U.S. federal statutory tax rate	\$3,225	21.0%
State income tax expense, net of federal income tax effect (a)	459	3.0%
ESOP compensation expense	745	4.9%
ESOP qualifying contribution	(376)	-2.5%
ESOP dividend deduction	(1,273)	-8.4%
Other nontaxable or nondeductible items	(49)	-0.3%
Effective tax rate	\$2,731	17.7%

(a) FYE 04/30/2026 - California, Illinois, Oregon, Tennessee, and Texas make up the majority (greater than 50%) of the state income tax expense, net of federal tax effect category

A reconciliation of income taxes computed at the blended Federal statutory rate and income tax expense for the years ended April 30, 2025 and 2024 is as follows:

	2025	2024
Federal income taxes at a statutory rate	\$4,175	\$3,143
State income taxes—net of federal tax benefit	550	415
Deferred tax rate differential	—	(131)
ESOP dividends	(1,124)	(800)
Other	464	221
Total income tax expense	\$4,065	\$2,848

The tax effects of the existing temporary differences that give rise to deferred tax assets and liabilities at April 30, 2026 and 2025 are as follows:

	2026	2025
Deferred tax assets		
Inventory capitalization and allowances	\$1,336	\$1,280
Unrealized loss on securities	25	—
Future ESOP principal and debt service tax deductions	334	390
Accrued compensation	351	326
Allowance for credit losses and sales returns	431	295
Deferred revenue	12,133	11,126
Deferred expenses	203	761
Total deferred tax assets	14,813	14,178
Deferred tax liabilities		
Prepaid expenses	(1,696)	(1,683)
Unrealized gain on securities	—	(130)
Depreciation	(146)	(50)
Total deferred tax liabilities	(1,842)	(1,863)
Total net deferred tax assets	\$12,971	\$12,315

The Goodheart-Willcox Company, Inc. and Subsidiary

Notes to Consolidated Financial Statements April 30, 2026, 2025, and 2024 continued

(Dollars in Thousands, except per share data)

Note F – Income taxes—continued

The Company files tax returns in all appropriate jurisdictions, which include a federal return and various state tax returns. When, and if applicable, potential interest and penalty costs are accrued as incurred, with penalties recognized in selling, general and administrative expenses and interest recognized in interest expense in the Consolidated Statements of Income and Other Comprehensive Income. The Company has not recorded a reserve for any tax positions for which the ultimate deductibility is highly uncertain or for which there is uncertainty about the timing of such deductibility, and as of April 30, 2026 and 2025, the Company has no liability for unrecognized tax benefits.

During the fiscal year ended April 30, 2026, the Company has adopted ASU 2023-09 to enhance the income tax disclosures regarding income taxes paid and the rate reconciliation disclosure. The income taxes paid by the Company for the year ended April 30, 2026 are as follows:

Fiscal year ended April 30	2026
Federal	\$2,675
State	664
Total income taxes paid	\$3,339

Income taxes paid (net of refunds) exceeds or is equal to 5% of total income taxes paid (net of refunds) in the following jurisdictions:

Fiscal year ended April 30	2026
Federal (IRS)	\$2,675

Note G – Employee benefit plans

Effective May 1, 2000, the Company added employee stock ownership provisions to The Goodheart-Willcox Company Employees' Profit Sharing Plan to create The Goodheart-Willcox Company, Inc. Employees' Profit Sharing and Stock Ownership Plan and Trust (the "Profit Sharing and ESOP Plan") to enable eligible employees to acquire indirect stock ownership in the Company. Employees of the Company are generally eligible to participate in the ESOP after 1 year of service providing they worked at least 1,000 hours during such year and are age 21 or older. The ESOP is being accounted for under ASC Topic 718-40, *Employee Stock Ownership Plans*. The Profit Sharing and ESOP Plan covers all eligible employees and is a tax-qualified, internally leveraged ESOP designed to utilize the tax incentives available to tax qualified ESOPs.

On June 7, 2000, the ESOP trust borrowed \$4,749 from the Company. The proceeds of the loan and an individual employee profit sharing account were used to purchase 175,516 then-outstanding shares of the Company's common stock. Of the 175,516 shares purchased, 62,175 shares were purchased by an individual participant, who is currently the Company's Chairman of the Board, with proceeds from his employee profit sharing account, and 113,341 shares were held in a suspense account and have been allocated to participant accounts based on principal repayments to the Company of the ESOP loan. The ESOP loan was fully repaid and all related shares were allocated to participant accounts as of April 30, 2013.

On April 28, 2009, the Company sold 80,000 shares of the Company's common stock, which were previously held as treasury shares, to the ESOP in exchange for a note, bearing interest at 3.58% with annual principal and interest payments of \$578 through 2028. The issued shares are held in a suspense account and are being allocated to participant accounts based on principal and interest repayments to the Company of the ESOP loan through April 2028.

The Goodheart-Willcox Company, Inc. and Subsidiary

Notes to Consolidated Financial Statements April 30, 2026, 2025, and 2024 continued

(Dollars in Thousands, except per share data)

Note G – Employee benefit plans—continued

On May 24, 2019, the ESOP trust completed an offer to purchase shares of common stock of the Company at a cash purchase price of \$150.00 per share, whereby the ESOP trust borrowed \$7,884 from the Company to purchase 52,557 shares of the Company's common stock from shareholders of record. The borrowing is evidenced by a note, bearing interest at 2.74%, with a payment of principal and interest of \$316 in April 2020, followed by annual principal and interest payments of \$327 from April 2021 through April 2059. The issued shares are held in a suspense account and are being allocated to participant accounts based on principal and interest repayments to the Company on the ESOP loan through April 2059.

ESOP compensation expense is recorded based on the average market value, as determined in cooperation with an independent third-party valuation expert, of the shares committed to be released during the year with a corresponding credit to unearned ESOP common stock for the cost of the shares committed to be released. Any difference between the market value of the shares committed to be released and the cost of the shares is charged or credited to additional paid-in capital. Shares of ESOP common stock are committed to be released or allocated to participant accounts as of year end. Dividends paid on unallocated ESOP shares are not considered dividends for financial reporting purposes but are reflected as ESOP compensation expense.

Company cash or stock contributions to the Profit Sharing and ESOP Plan are determined by the Company's Board of Directors, typically as a percentage of employees' eligible compensation, but these shall not be less than the payments required to be received by the Company under the ESOP loan or more than the maximum amount deductible under the provisions of Section 404 of the Internal Revenue Code.

During fiscal 2026, 2025, and 2024, the Company recognized total ESOP compensation expense of \$4,038, \$4,350, and \$3,447, respectively, of which \$2,043, \$1,969, and \$1,625, respectively, related to shares committed to be released; \$388, \$908, and \$917, respectively, related to the net effect of dividends on unallocated ESOP shares; and \$1,607, \$1,473, and \$905, respectively, related to Company cash contributions to the Plan. During fiscal 2026, 2025, and 2024, \$678, \$751, and \$727, respectively, of the previous year's dividends on unallocated ESOP shares were used by the ESOP to repay the ESOP loans to the Company.

With respect to dividends paid on shares released to fully vested employees' stock contribution accounts, the Profit Sharing and ESOP Plan allows participants to elect to (a) reinvest such dividends in Company stock or (b) withdraw such dividends. During fiscal 2026, 2025, and 2024, participants elected to reinvest dividends in 5,391 and 11,449 shares purchased from the ESOP, and 10,177 shares purchased from treasury of the Company's common stock, respectively.

As of April 30, 2026 and 2025, the ESOP trust held 243,988 and 263,988 shares of the Company's common stock, respectively. Unreleased ESOP shares held in a suspense account as of April 30, 2026, 2025, and 2024 are as follows:

Balance at April 30, 2024	62,025
Shares committed to be released	(5,315)
Balance at April 30, 2025	56,710
Shares committed to be released	(5,315)
Balance at April 30, 2026	51,395
Fair value of unreleased ESOP shares:	\$18,664

The Company has the financial obligation to repurchase allocated shares from terminating and diversifying participants as outlined in the Profit Sharing and ESOP Plan document and Trust agreement. The repurchase obligation may be funded through a combination of company contributions, dividends on

The Goodheart-Willcox Company, Inc. and Subsidiary

Notes to Consolidated Financial Statements April 30, 2026, 2025, and 2024 continued

(Dollars in Thousands, except per share data)

Note G – Employee benefit plans—continued

ESOP shares, share repurchases by the company, or ESOP re-leverage transactions. Repurchase obligations at April 30, 2026 total \$69,940, which represents the fair value of the allocated shares.

Effective September 1, 2018, the Company adopted The Goodheart-Willcox Company, Inc. 401(k) Plan and Trust. The plan allows participants to make elective pretax or post-tax contributions, subject to certain IRS limitations. The Company matches 100% of participant contributions up to 3% of eligible compensation, plus 50% of participant contributions over 3% and up to 5% of eligible compensation. The Company recorded employer match expense of \$625, \$583, and \$532 for the years ending April 30, 2026, 2025, and 2024, respectively.

Note H – Commitments and contingencies

Employment agreements. The Company has entered into employment agreements with the President and the Chairman that provides for annual compensation and certain other benefits including death-in-service benefit payments equal to two years' salary. The present value of the estimated benefits payable under this agreement totaling \$551 and \$524 is included in long-term liabilities in the Consolidated Balance Sheets at April 30, 2026 and 2025, respectively.

Effective April 30, 2020, the Company adopted The Goodheart-Willcox Company, Inc. Executive Stock Deferred Benefit Plan for the benefit of certain management employees as determined by the Board of Directors. The purpose of the plan is to provide additional benefits for employees who will not receive a full allocation of ESOP shares due to limitations imposed by rules and regulations of the Internal Revenue Code. Plan expenses totaled \$64, \$196, and \$148 in fiscal years ended April 30, 2026, 2025, and 2024, respectively. There were no plan benefit payments for fiscal 2026, 2025, and 2024. Unpaid amounts totaling \$822 and \$731 are included in long-term liabilities in the Consolidated Balance Sheets at April 30, 2026 and 2025, respectively.

SaaS contractual commitments. As of April 30, 2026, the Company has entered into non-cancelable software-as-a-service (SaaS) agreements to support its information technology infrastructure and operational needs. These agreements, which generally have terms of 1–5 years and currently expire at various dates through fiscal 2029, require the company to make the following minimum payments.

Years Ending April 30,	
2027	\$271
2028	242
2029	182
Total	<u>\$695</u>

The Company has no significant restrictions or covenants related to these SaaS agreements.

Independent Auditor's Report

To the Board of Directors
The Goodheart-Willcox Company, Inc. and Subsidiary

Opinion

We have audited the consolidated financial statements of The Goodheart-Willcox Company, Inc. and its subsidiary (the "Company"), which comprise the consolidated balance sheet as of April 30, 2026 and the related consolidated statements of income and comprehensive income, stockholders' equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of April 30, 2026 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Report on Prior Year Consolidated Financial Statements

The consolidated financial statements of The Goodheart-Willcox Company, Inc. and its subsidiary as of April 30, 2025 and 2024 were audited by other auditors, who expressed an unmodified opinion on those consolidated financial statements on July 31, 2025.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Plante & Moran, PLLC

Chicago, Illinois

July 7, 2026

The Goodheart-Willcox Company, Inc. and Subsidiary

Corporate Information

Corporate Office, *The Goodheart-Willcox Company, Inc., 18604 West Creek Drive, Tinley Park, IL 60477*

Annual Meeting, *The annual meeting will be held at 9:30 a.m. Central Daylight Time, July 14, 2026, at the Corporate Office, Tinley Park, Illinois*

Stock Symbol, *GWOX, Over-the-Counter Market*

Transfer Agent, *Continental Stock Transfer & Trust Company*

General Counsel, *Clingen Callow & McLean, LLC, Lisle, Illinois*

Independent Public Accountants, *Plante & Moran, PLLC*

Directors

Claudia L. Berry, *retired Vice President, Lakeshore Wealth Group, Huntington National Bank*

Douglas J. Bogdal, *retired Chief Financial Officer, Secretary & Treasurer, LA-CO Industries*

Thomas L. Choice, *retired President, Kishwaukee College*

Michael J. Carter, *President, Amsted Rail*

Shannon F. DeProfio, *President and Chief Executive Officer, The Goodheart-Willcox Company, Inc.*

John F. Flanagan, *Chairman, The Goodheart-Willcox Company, Inc.*

Executive Officers

Shannon F. DeProfio, *President and Chief Executive Officer*

John F. Flanagan, *Chairman*

Carolyn Gomez, *Executive Vice President Finance, Treasurer, and Corporate Secretary*

Todd J. Scheffers, *Executive Vice President and Chief Revenue Officer*



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