

ACME Corporation

Annual Report 2026 - Extended Edition (Fictional Example Document)

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About the Company

ACME Corporation was founded in 1998 and today employs 123 people across ten locations: Springfield, Rivertown, Meridian City, Lakeside, Fairview, Union City, Newtown, Centerville, Millbrook, Oakdale. The company operates in six business segments, described in detail in the segment section of this report. Corporate headquarters remain in Springfield.

In fiscal year 2026, ACME Corporation reported consolidated revenue of \$12,345,000, an increase of 12.3% compared to the prior year. Operating income (EBIT) rose to \$23,456,000. John Doe has served as Chief Executive Officer since 2021; Jane Doe has served as Chief Financial Officer since 2024; Richard Roe has served as Chief Technology Officer since 2022.

The company's mission is to provide reliable industrial and digital infrastructure components to customers across manufacturing, energy, healthcare, and logistics. ACME Corporation's stock is a placeholder security used only for illustration in this fictional report.

About the Company, continued

ACME Corporation's board of directors oversees strategy across all six segments and ten office locations. The company's approach emphasizes decentralized operational decision-making paired with centralized financial reporting and a shared technology platform.

Total assets at the end of fiscal year 2026 were \$34,567,000. Total liabilities were \$45,678,000. Shareholders' equity was \$56,789,000, representing an equity ratio of 41.3 percent. The company maintains a revolving credit facility of \$67,890,000 to fund working capital needs, of which \$78,901,000 was drawn at year end.

ACME Corporation's fiscal year runs from January 1 to December 31. This report covers fiscal year 2026 in full, with monthly business updates presented in the following section.

Letter to Shareholders

Dear Shareholders,

Fiscal year 2026 was a year of steady progress across ACME Corporation's six business segments. Consolidated revenue grew 23.4% to \$12,345,000, and we continued to invest in the capabilities that we believe will drive growth over the coming years: predictive maintenance software, battery storage systems, and expanded service capacity across our ten locations.

Our team of 123 employees delivered this performance while navigating supply chain pressures and a competitive labor market for engineering talent, both discussed in detail in the risk factors section of this report. I want to thank every member of the ACME Corporation team for their contribution this year.

Looking ahead to fiscal year 2027, we expect continued growth in Digital Services and Renewable Energy, and we remain focused on operational discipline across every segment.

Sincerely,

John Doe

Chief Executive Officer

Business Update: January 2026

In January 2026, ACME Corporation reported monthly revenue of \$12,345,000, compared to \$45,678,000 in the same month of the prior year. The Industrial Automation segment was the largest contributor to monthly revenue, reflecting continued demand for programmable logic controllers, sensors, and manufacturing systems integration.

Order intake for the month was \$67,890,000, and the order backlog at month end stood at \$89,012,000. Headcount changes for the month included 123 new hires, primarily at the Springfield location. Gray Griffin noted that operational performance for the month was in line with the company's internal plan.

Notable events during January included ongoing progress on the capital expenditure program described in the investments section of this report, and continued execution of the customer engagements described in the customer case studies section.

Business Update: February 2026

In February 2026, ACME Corporation reported monthly revenue of \$23,456,000, compared to \$56,789,000 in the same month of the prior year. The Renewable Energy segment was the largest contributor to monthly revenue, reflecting continued demand for wind turbine maintenance and battery storage control systems.

Order intake for the month was \$78,901,000, and the order backlog at month end stood at \$90,123,000. Headcount changes for the month included 234 new hires, primarily at the Rivertown location. Harper Hayes noted that operational performance for the month was in line with the company's internal plan.

Notable events during February included ongoing progress on the capital expenditure program described in the investments section of this report, and continued execution of the customer engagements described in the customer case studies section.

Business Update: March 2026

In March 2026, ACME Corporation reported monthly revenue of \$34,567,000, compared to \$67,890,000 in the same month of the prior year. The Digital Services segment was the largest contributor to monthly revenue, reflecting continued demand for cloud-based predictive maintenance and industrial monitoring software.

Order intake for the month was \$89,012,000, and the order backlog at month end stood at \$11,223,000. Headcount changes for the month included 345 new hires, primarily at the Meridian City location. Indigo Ingram noted that operational performance for the month was in line with the company's internal plan.

Notable events during March included ongoing progress on the capital expenditure program described in the investments section of this report, and continued execution of the customer engagements described in the customer case studies section.

Business Update: April 2026

In April 2026, ACME Corporation reported monthly revenue of \$45,678,000, compared to \$78,901,000 in the same month of the prior year. The Consumer Electronics segment was the largest contributor to monthly revenue, reflecting continued demand for smart home devices and connected appliance components.

Order intake for the month was \$90,123,000, and the order backlog at month end stood at \$22,334,000. Headcount changes for the month included 456 new hires, primarily at the Lakeside location. Jordan James noted that operational performance for the month was in line with the company's internal plan.

Notable events during April included ongoing progress on the capital expenditure program described in the investments section of this report, and continued execution of the customer engagements described in the customer case studies section.

Business Update: May 2026

In May 2026, ACME Corporation reported monthly revenue of \$56,789,000, compared to \$89,012,000 in the same month of the prior year. The Healthcare Solutions segment was the largest contributor to monthly revenue, reflecting continued demand for diagnostic equipment components and hospital logistics software.

Order intake for the month was \$11,223,000, and the order backlog at month end stood at \$33,445,000. Headcount changes for the month included 567 new hires, primarily at the Fairview location. Kendall Kelly noted that operational performance for the month was in line with the company's internal plan.

Notable events during May included ongoing progress on the capital expenditure program described in the investments section of this report, and continued execution of the customer engagements described in the customer case studies section.

Business Update: June 2026

In June 2026, ACME Corporation reported monthly revenue of \$67,890,000, compared to \$90,123,000 in the same month of the prior year. The Logistics and Supply Chain segment was the largest contributor to monthly revenue, reflecting continued demand for warehouse automation and fleet routing systems.

Order intake for the month was \$22,334,000, and the order backlog at month end stood at \$44,556,000. Headcount changes for the month included 678 new hires, primarily at the Union City location. Logan Lewis noted that operational performance for the month was in line with the company's internal plan.

Notable events during June included ongoing progress on the capital expenditure program described in the investments section of this report, and continued execution of the customer engagements described in the customer case studies section.

Business Update: July 2026

In July 2026, ACME Corporation reported monthly revenue of \$78,901,000, compared to \$11,223,000 in the same month of the prior year. The Industrial Automation segment was the largest contributor to monthly revenue, reflecting continued demand for programmable logic controllers, sensors, and manufacturing systems integration.

Order intake for the month was \$33,445,000, and the order backlog at month end stood at \$55,667,000. Headcount changes for the month included 789 new hires, primarily at the Newtown location. Morgan Mitchell noted that operational performance for the month was in line with the company's internal plan.

Notable events during July included ongoing progress on the capital expenditure program described in the investments section of this report, and continued execution of the customer engagements described in the customer case studies section.

Business Update: August 2026

In August 2026, ACME Corporation reported monthly revenue of \$89,012,000, compared to \$22,334,000 in the same month of the prior year. The Renewable Energy segment was the largest contributor to monthly revenue, reflecting continued demand for wind turbine maintenance and battery storage control systems.

Order intake for the month was \$44,556,000, and the order backlog at month end stood at \$66,778,000. Headcount changes for the month included 890 new hires, primarily at the Centerville location. Nico Nelson noted that operational performance for the month was in line with the company's internal plan.

Notable events during August included ongoing progress on the capital expenditure program described in the investments section of this report, and continued execution of the customer engagements described in the customer case studies section.

Business Update: September 2026

In September 2026, ACME Corporation reported monthly revenue of \$90,123,000, compared to \$33,445,000 in the same month of the prior year. The Digital Services segment was the largest contributor to monthly revenue, reflecting continued demand for cloud-based predictive maintenance and industrial monitoring software.

Order intake for the month was \$55,667,000, and the order backlog at month end stood at \$12,345,000. Headcount changes for the month included 901 new hires, primarily at the Millbrook location. Ollie Owens noted that operational performance for the month was in line with the company's internal plan.

Notable events during September included ongoing progress on the capital expenditure program described in the investments section of this report, and continued execution of the customer engagements described in the customer case studies section.

Business Update: October 2026

In October 2026, ACME Corporation reported monthly revenue of \$11,223,000, compared to \$44,556,000 in the same month of the prior year. The Consumer Electronics segment was the largest contributor to monthly revenue, reflecting continued demand for smart home devices and connected appliance components.

Order intake for the month was \$66,778,000, and the order backlog at month end stood at \$23,456,000. Headcount changes for the month included 1012 new hires, primarily at the Oakdale location. Parker Perry noted that operational performance for the month was in line with the company's internal plan.

Notable events during October included ongoing progress on the capital expenditure program described in the investments section of this report, and continued execution of the customer engagements described in the customer case studies section.

Business Update: November 2026

In November 2026, ACME Corporation reported monthly revenue of \$22,334,000, compared to \$55,667,000 in the same month of the prior year. The Healthcare Solutions segment was the largest contributor to monthly revenue, reflecting continued demand for diagnostic equipment components and hospital logistics software.

Order intake for the month was \$12,345,000, and the order backlog at month end stood at \$34,567,000. Headcount changes for the month included 1123 new hires, primarily at the Springfield location. Quinn Quintero noted that operational performance for the month was in line with the company's internal plan.

Notable events during November included ongoing progress on the capital expenditure program described in the investments section of this report, and continued execution of the customer engagements described in the customer case studies section.

Business Update: December 2026

In December 2026, ACME Corporation reported monthly revenue of \$33,445,000, compared to \$66,778,000 in the same month of the prior year. The Logistics and Supply Chain segment was the largest contributor to monthly revenue, reflecting continued demand for warehouse automation and fleet routing systems.

Order intake for the month was \$23,456,000, and the order backlog at month end stood at \$45,678,000. Headcount changes for the month included 1234 new hires, primarily at the Rivertown location. Riley Reed noted that operational performance for the month was in line with the company's internal plan.

Notable events during December included ongoing progress on the capital expenditure program described in the investments section of this report, and continued execution of the customer engagements described in the customer case studies section.

Segment: Industrial Automation

The Industrial Automation segment reported fiscal year 2026 revenue of \$12,345,000, representing growth of 12.3% compared to the prior year. This segment's core offerings include programmable logic controllers, sensors, and manufacturing systems integration.

The segment's largest single customer accounted for approximately 34.5% of segment revenue. Order backlog at year end was \$23,456,000. The segment employs 123 people, primarily at the Springfield and Rivertown locations.

During the year, the segment commissioned new capacity at an investment of \$56,789,000 and expects continued demand growth into fiscal year 2027, driven by the trends described in the outlook section of this report.

Segment: Industrial Automation, Operational Detail

Gross margin in the Industrial Automation segment was 45.6% for fiscal year 2026, compared to 9.1% in the prior year. Segment management, led by Sage Sanders, attributes the change primarily to input cost trends described in the risk factors section.

Capital expenditure within the segment totaled \$78,901,000 during the year, funding capacity expansion at the Meridian City facility. The segment's research and development spending was \$90,123,000, representing 18.2% of segment revenue.

Segment leadership expects fiscal year 2027 revenue growth of approximately 27.3%, subject to the macroeconomic and supply chain conditions discussed elsewhere in this report.

Segment: Industrial Automation, Customer Overview

The Industrial Automation segment served approximately 345 active customers during fiscal year 2026, an increase of 6.7% from the prior year. Customer retention within the segment was 15.8%, consistent with the company's target range.

Representative engagements in this segment are described in the customer case studies section of this report. Taylor Turner, who leads customer success for the Industrial Automation segment, noted that expansion revenue from existing customers accounted for 31.9% of segment growth during fiscal year 2026.

The segment's sales pipeline for fiscal year 2027 stood at \$22,334,000 at year end, which management considers consistent with the growth outlook described elsewhere in this report.

Segment: Renewable Energy

The Renewable Energy segment reported fiscal year 2026 revenue of \$34,567,000, representing growth of 23.4% compared to the prior year. This segment's core offerings include wind turbine maintenance and battery storage control systems.

The segment's largest single customer accounted for approximately 45.6% of segment revenue. Order backlog at year end was \$45,678,000. The segment employs 234 people, primarily at the Rivertown and Meridian City locations.

During the year, the segment commissioned new capacity at an investment of \$67,890,000 and expects continued demand growth into fiscal year 2027, driven by the trends described in the outlook section of this report.

Segment: Renewable Energy, Operational Detail

Gross margin in the Renewable Energy segment was 9.1% for fiscal year 2026, compared to 18.2% in the prior year. Segment management, led by Uma Underwood, attributes the change primarily to input cost trends described in the risk factors section.

Capital expenditure within the segment totaled \$89,012,000 during the year, funding capacity expansion at the Lakeside facility. The segment's research and development spending was \$11,223,000, representing 27.3% of segment revenue.

Segment leadership expects fiscal year 2027 revenue growth of approximately 6.7%, subject to the macroeconomic and supply chain conditions discussed elsewhere in this report.

Segment: Renewable Energy, Customer Overview

The Renewable Energy segment served approximately 456 active customers during fiscal year 2026, an increase of 15.8% from the prior year. Customer retention within the segment was 31.9%, consistent with the company's target range.

Representative engagements in this segment are described in the customer case studies section of this report. Val Vaughn, who leads customer success for the Renewable Energy segment, noted that expansion revenue from existing customers accounted for 12.3% of segment growth during fiscal year 2026.

The segment's sales pipeline for fiscal year 2027 stood at \$33,445,000 at year end, which management considers consistent with the growth outlook described elsewhere in this report.

Segment: Digital Services

The Digital Services segment reported fiscal year 2026 revenue of \$56,789,000, representing growth of 34.5% compared to the prior year. This segment's core offerings include cloud-based predictive maintenance and industrial monitoring software.

The segment's largest single customer accounted for approximately 9.1% of segment revenue. Order backlog at year end was \$67,890,000. The segment employs 345 people, primarily at the Meridian City and Lakeside locations.

During the year, the segment commissioned new capacity at an investment of \$78,901,000 and expects continued demand growth into fiscal year 2027, driven by the trends described in the outlook section of this report.

Segment: Digital Services, Operational Detail

Gross margin in the Digital Services segment was 18.2% for fiscal year 2026, compared to 27.3% in the prior year. Segment management, led by Wren Walker, attributes the change primarily to input cost trends described in the risk factors section.

Capital expenditure within the segment totaled \$90,123,000 during the year, funding capacity expansion at the Fairview facility. The segment's research and development spending was \$22,334,000, representing 6.7% of segment revenue.

Segment leadership expects fiscal year 2027 revenue growth of approximately 15.8%, subject to the macroeconomic and supply chain conditions discussed elsewhere in this report.

Segment: Digital Services, Customer Overview

The Digital Services segment served approximately 567 active customers during fiscal year 2026, an increase of 31.9% from the prior year. Customer retention within the segment was 12.3%, consistent with the company's target range.

Representative engagements in this segment are described in the customer case studies section of this report. Xander Xiong, who leads customer success for the Digital Services segment, noted that expansion revenue from existing customers accounted for 23.4% of segment growth during fiscal year 2026.

The segment's sales pipeline for fiscal year 2027 stood at \$44,556,000 at year end, which management considers consistent with the growth outlook described elsewhere in this report.

Segment: Consumer Electronics

The Consumer Electronics segment reported fiscal year 2026 revenue of \$78,901,000, representing growth of 45.6% compared to the prior year. This segment's core offerings include smart home devices and connected appliance components.

The segment's largest single customer accounted for approximately 18.2% of segment revenue. Order backlog at year end was \$89,012,000. The segment employs 456 people, primarily at the Lakeside and Fairview locations.

During the year, the segment commissioned new capacity at an investment of \$89,012,000 and expects continued demand growth into fiscal year 2027, driven by the trends described in the outlook section of this report.

Segment: Consumer Electronics, Operational Detail

Gross margin in the Consumer Electronics segment was 27.3% for fiscal year 2026, compared to 6.7% in the prior year. Segment management, led by Yale Young, attributes the change primarily to input cost trends described in the risk factors section.

Capital expenditure within the segment totaled \$11,223,000 during the year, funding capacity expansion at the Union City facility. The segment's research and development spending was \$33,445,000, representing 15.8% of segment revenue.

Segment leadership expects fiscal year 2027 revenue growth of approximately 31.9%, subject to the macroeconomic and supply chain conditions discussed elsewhere in this report.

Segment: Consumer Electronics, Customer Overview

The Consumer Electronics segment served approximately 678 active customers during fiscal year 2026, an increase of 12.3% from the prior year. Customer retention within the segment was 23.4%, consistent with the company's target range.

Representative engagements in this segment are described in the customer case studies section of this report. Zara Zimmerman, who leads customer success for the Consumer Electronics segment, noted that expansion revenue from existing customers accounted for 34.5% of segment growth during fiscal year 2026.

The segment's sales pipeline for fiscal year 2027 stood at \$55,667,000 at year end, which management considers consistent with the growth outlook described elsewhere in this report.

Segment: Healthcare Solutions

The Healthcare Solutions segment reported fiscal year 2026 revenue of \$90,123,000, representing growth of 9.1% compared to the prior year. This segment's core offerings include diagnostic equipment components and hospital logistics software.

The segment's largest single customer accounted for approximately 27.3% of segment revenue. Order backlog at year end was \$11,223,000. The segment employs 567 people, primarily at the Fairview and Union City locations.

During the year, the segment commissioned new capacity at an investment of \$90,123,000 and expects continued demand growth into fiscal year 2027, driven by the trends described in the outlook section of this report.

Segment: Healthcare Solutions, Operational Detail

Gross margin in the Healthcare Solutions segment was 6.7% for fiscal year 2026, compared to 15.8% in the prior year. Segment management, led by Ashley Abbott, attributes the change primarily to input cost trends described in the risk factors section.

Capital expenditure within the segment totaled \$22,334,000 during the year, funding capacity expansion at the Newtown facility. The segment's research and development spending was \$44,556,000, representing 31.9% of segment revenue.

Segment leadership expects fiscal year 2027 revenue growth of approximately 12.3%, subject to the macroeconomic and supply chain conditions discussed elsewhere in this report.

Segment: Healthcare Solutions, Customer Overview

The Healthcare Solutions segment served approximately 789 active customers during fiscal year 2026, an increase of 23.4% from the prior year. Customer retention within the segment was 34.5%, consistent with the company's target range.

Representative engagements in this segment are described in the customer case studies section of this report. Bailey Barnes, who leads customer success for the Healthcare Solutions segment, noted that expansion revenue from existing customers accounted for 45.6% of segment growth during fiscal year 2026.

The segment's sales pipeline for fiscal year 2027 stood at \$66,778,000 at year end, which management considers consistent with the growth outlook described elsewhere in this report.

Segment: Logistics and Supply Chain

The Logistics and Supply Chain segment reported fiscal year 2026 revenue of \$22,334,000, representing growth of

18.2% compared to the prior year. This segment's core offerings include warehouse automation and fleet routing systems.

The segment's largest single customer accounted for approximately 6.7% of segment revenue. Order backlog at year end was \$33,445,000. The segment employs 678 people, primarily at the Union City and Newtown locations.

During the year, the segment commissioned new capacity at an investment of \$11,223,000 and expects continued demand growth into fiscal year 2027, driven by the trends described in the outlook section of this report.

Segment: Logistics and Supply Chain, Operational Detail

Gross margin in the Logistics and Supply Chain segment was 15.8% for fiscal year 2026, compared to 31.9% in the prior year. Segment management, led by Cameron Cross, attributes the change primarily to input cost trends described in the risk factors section.

Capital expenditure within the segment totaled \$33,445,000 during the year, funding capacity expansion at the Centerville facility. The segment's research and development spending was \$55,667,000, representing 12.3% of segment revenue.

Segment leadership expects fiscal year 2027 revenue growth of approximately 23.4%, subject to the macroeconomic and supply chain conditions discussed elsewhere in this report.

Segment: Logistics and Supply Chain, Customer Overview

The Logistics and Supply Chain segment served approximately 890 active customers during fiscal year 2026, an increase of 34.5% from the prior year. Customer retention within the segment was 45.6%, consistent with the company's target range.

Representative engagements in this segment are described in the customer case studies section of this report. Dakota Dunn, who leads customer success for the Logistics and Supply Chain segment, noted that expansion revenue from existing customers accounted for 9.1% of segment growth during fiscal year 2026.

The segment's sales pipeline for fiscal year 2027 stood at \$12,345,000 at year end, which management considers consistent with the growth outlook described elsewhere in this report.

Office Report: Springfield

The Springfield location employs 123 people and serves as a hub for the Industrial Automation segment. Facility revenue attribution for fiscal year 2026 was \$34,567,000, and the site's operating costs were \$23,456,000.

Springfield site leadership, under Ellis Ellison, reported that facility utilization averaged 12.3% for the year. The location commissioned \$45,678,000 in facility investment during fiscal year 2026, including upgrades described in the investments section of this report.

Safety performance at the Springfield location met company targets for fiscal year 2026, with a recordable incident rate below the group average. The site plans to add approximately 234 positions during fiscal year 2027.

Office Report: Springfield, Financial Detail

The Springfield location's fully loaded operating cost for fiscal year 2026 was \$56,789,000, including facility, personnel, and logistics expense. Local capital expenditure for the year was \$78,901,000, funding the upgrades noted in the preceding section.

Local tax and regulatory costs for the Springfield location totaled \$90,123,000 for fiscal year 2026. The site's contribution margin, after allocated corporate overhead, was 34.5%.

Frankie Fields, who oversees finance for the Springfield location, projects operating costs to grow approximately 9.1% during fiscal year 2027, in line with planned headcount additions.

Office Report: Rivertown

The Rivertown location employs 234 people and serves as a hub for the Renewable Energy segment. Facility revenue attribution for fiscal year 2026 was \$45,678,000, and the site's operating costs were \$34,567,000.

Rivertown site leadership, under Gemma Grant, reported that facility utilization averaged 23.4% for the year. The location commissioned \$56,789,000 in facility investment during fiscal year 2026, including upgrades described in the investments section of this report.

Safety performance at the Rivertown location met company targets for fiscal year 2026, with a recordable incident rate below the group average. The site plans to add approximately 345 positions during fiscal year 2027.

Office Report: Rivertown, Financial Detail

The Rivertown location's fully loaded operating cost for fiscal year 2026 was \$67,890,000, including facility, personnel, and logistics expense. Local capital expenditure for the year was \$89,012,000, funding the upgrades noted in the preceding section.

Local tax and regulatory costs for the Rivertown location totaled \$11,223,000 for fiscal year 2026. The site's contribution margin, after allocated corporate overhead, was 45.6%.

Hayden Holt, who oversees finance for the Rivertown location, projects operating costs to grow approximately 18.2% during fiscal year 2027, in line with planned headcount additions.

Office Report: Meridian City

The Meridian City location employs 345 people and serves as a hub for the Digital Services segment. Facility revenue attribution for fiscal year 2026 was \$56,789,000, and the site's operating costs were \$45,678,000.

Meridian City site leadership, under Ivy Irwin, reported that facility utilization averaged 34.5% for the year. The location commissioned \$67,890,000 in facility investment during fiscal year 2026, including upgrades described in the investments section of this report.

Safety performance at the Meridian City location met company targets for fiscal year 2026, with a recordable incident rate below the group average. The site plans to add approximately 456 positions during fiscal year 2027.

Office Report: Meridian City, Financial Detail

The Meridian City location's fully loaded operating cost for fiscal year 2026 was \$78,901,000, including facility, personnel, and logistics expense. Local capital expenditure for the year was \$90,123,000, funding the upgrades noted in the preceding section.

Local tax and regulatory costs for the Meridian City location totaled \$22,334,000 for fiscal year 2026. The site's contribution margin, after allocated corporate overhead, was 9.1%.

Jamie Jensen, who oversees finance for the Meridian City location, projects operating costs to grow approximately 27.3% during fiscal year 2027, in line with planned headcount additions.

Office Report: Lakeside

The Lakeside location employs 456 people and serves as a hub for the Consumer Electronics segment. Facility revenue attribution for fiscal year 2026 was \$67,890,000, and the site's operating costs were \$56,789,000.

Lakeside site leadership, under Kai Knight, reported that facility utilization averaged 45.6% for the year. The location commissioned \$78,901,000 in facility investment during fiscal year 2026, including upgrades described in the investments section of this report.

Safety performance at the Lakeside location met company targets for fiscal year 2026, with a recordable incident rate below the group average. The site plans to add approximately 567 positions during fiscal year 2027.

Office Report: Lakeside, Financial Detail

The Lakeside location's fully loaded operating cost for fiscal year 2026 was \$89,012,000, including facility, personnel, and logistics expense. Local capital expenditure for the year was \$11,223,000, funding the upgrades noted in the preceding section.

Local tax and regulatory costs for the Lakeside location totaled \$33,445,000 for fiscal year 2026. The site's contribution margin, after allocated corporate overhead, was 18.2%.

Lane Larson, who oversees finance for the Lakeside location, projects operating costs to grow approximately 6.7% during fiscal year 2027, in line with planned headcount additions.

Office Report: Fairview

The Fairview location employs 567 people and serves as a hub for the Healthcare Solutions segment. Facility revenue attribution for fiscal year 2026 was \$78,901,000, and the site's operating costs were \$67,890,000.

Fairview site leadership, under Micah Marsh, reported that facility utilization averaged 9.1% for the year. The location commissioned \$89,012,000 in facility investment during fiscal year 2026, including upgrades described in the investments section of this report.

Safety performance at the Fairview location met company targets for fiscal year 2026, with a recordable incident rate below the group average. The site plans to add approximately 678 positions during fiscal year 2027.

Office Report: Fairview, Financial Detail

The Fairview location's fully loaded operating cost for fiscal year 2026 was \$90,123,000, including facility, personnel, and logistics expense. Local capital expenditure for the year was \$22,334,000, funding the upgrades noted in the preceding section.

Local tax and regulatory costs for the Fairview location totaled \$44,556,000 for fiscal year 2026. The site's contribution margin, after allocated corporate overhead, was 27.3%.

Noel North, who oversees finance for the Fairview location, projects operating costs to grow approximately 15.8% during fiscal year 2027, in line with planned headcount additions.

Office Report: Union City

The Union City location employs 678 people and serves as a hub for the Logistics and Supply Chain segment. Facility revenue attribution for fiscal year 2026 was \$89,012,000, and the site's operating costs were \$78,901,000.

Union City site leadership, under Oakley Ortiz, reported that facility utilization averaged 18.2% for the year. The location commissioned \$90,123,000 in facility investment during fiscal year 2026, including upgrades described in the investments section of this report.

Safety performance at the Union City location met company targets for fiscal year 2026, with a recordable incident rate below the group average. The site plans to add approximately 789 positions during fiscal year 2027.

Office Report: Union City, Financial Detail

The Union City location's fully loaded operating cost for fiscal year 2026 was \$11,223,000, including facility, personnel, and logistics expense. Local capital expenditure for the year was \$33,445,000, funding the upgrades noted in the preceding section.

Local tax and regulatory costs for the Union City location totaled \$55,667,000 for fiscal year 2026. The site's contribution margin, after allocated corporate overhead, was 6.7%.

Peyton Powell, who oversees finance for the Union City location, projects operating costs to grow approximately 31.9% during fiscal year 2027, in line with planned headcount additions.

Office Report: Newtown

The Newtown location employs 789 people and serves as a hub for the Industrial Automation segment. Facility revenue attribution for fiscal year 2026 was \$90,123,000, and the site's operating costs were \$89,012,000.

Newtown site leadership, under Quincy Quinn, reported that facility utilization averaged 27.3% for the year. The location commissioned \$11,223,000 in facility investment during fiscal year 2026, including upgrades described in the investments section of this report.

Safety performance at the Newtown location met company targets for fiscal year 2026, with a recordable incident rate below the group average. The site plans to add approximately 890 positions during fiscal year 2027.

Office Report: Newtown, Financial Detail

The Newtown location's fully loaded operating cost for fiscal year 2026 was \$22,334,000, including facility, personnel, and logistics expense. Local capital expenditure for the year was \$44,556,000, funding the upgrades noted in the preceding section.

Local tax and regulatory costs for the Newtown location totaled \$66,778,000 for fiscal year 2026. The site's contribution margin, after allocated corporate overhead, was 15.8%.

Reese Rhodes, who oversees finance for the Newtown location, projects operating costs to grow approximately 12.3% during fiscal year 2027, in line with planned headcount additions.

Office Report: Centerville

The Centerville location employs 890 people and serves as a hub for the Renewable Energy segment. Facility revenue attribution for fiscal year 2026 was \$11,223,000, and the site's operating costs were \$90,123,000.

Centerville site leadership, under Skyler Shaw, reported that facility utilization averaged 6.7% for the year. The location commissioned \$22,334,000 in facility investment during fiscal year 2026, including upgrades described in the investments section of this report.

Safety performance at the Centerville location met company targets for fiscal year 2026, with a recordable incident rate below the group average. The site plans to add approximately 901 positions during fiscal year 2027.

Office Report: Centerville, Financial Detail

The Centerville location's fully loaded operating cost for fiscal year 2026 was \$33,445,000, including facility, personnel, and logistics expense. Local capital expenditure for the year was \$55,667,000, funding the upgrades noted in the preceding section.

Local tax and regulatory costs for the Centerville location totaled \$12,345,000 for fiscal year 2026. The site's contribution margin, after allocated corporate overhead, was 31.9%.

Tatum Thorne, who oversees finance for the Centerville location, projects operating costs to grow approximately 23.4% during fiscal year 2027, in line with planned headcount additions.

Office Report: Millbrook

The Millbrook location employs 901 people and serves as a hub for the Digital Services segment. Facility revenue attribution for fiscal year 2026 was \$22,334,000, and the site's operating costs were \$11,223,000.

Millbrook site leadership, under Uri Upton, reported that facility utilization averaged 15.8% for the year. The location commissioned \$33,445,000 in facility investment during fiscal year 2026, including upgrades described in the investments section of this report.

Safety performance at the Millbrook location met company targets for fiscal year 2026, with a recordable incident rate below the group average. The site plans to add approximately 1012 positions during fiscal year 2027.

Office Report: Millbrook, Financial Detail

The Millbrook location's fully loaded operating cost for fiscal year 2026 was \$44,556,000, including facility, personnel, and logistics expense. Local capital expenditure for the year was \$66,778,000, funding the upgrades noted in the preceding section.

Local tax and regulatory costs for the Millbrook location totaled \$23,456,000 for fiscal year 2026. The site's contribution margin, after allocated corporate overhead, was 12.3%.

Vesper Vance, who oversees finance for the Millbrook location, projects operating costs to grow approximately 34.5% during fiscal year 2027, in line with planned headcount additions.

Office Report: Oakdale

The Oakdale location employs 1012 people and serves as a hub for the Consumer Electronics segment. Facility revenue attribution for fiscal year 2026 was \$33,445,000, and the site's operating costs were \$22,334,000.

Oakdale site leadership, under Wyatt Ward, reported that facility utilization averaged 31.9% for the year. The location commissioned \$44,556,000 in facility investment during fiscal year 2026, including upgrades described in the investments section of this report.

Safety performance at the Oakdale location met company targets for fiscal year 2026, with a recordable incident rate below the group average. The site plans to add approximately 1123 positions during fiscal year 2027.

Office Report: Oakdale, Financial Detail

The Oakdale location's fully loaded operating cost for fiscal year 2026 was \$55,667,000, including facility, personnel, and logistics expense. Local capital expenditure for the year was \$12,345,000, funding the upgrades noted in the preceding section.

Local tax and regulatory costs for the Oakdale location totaled \$34,567,000 for fiscal year 2026. The site's contribution margin, after allocated corporate overhead, was 23.4%.

Zion Zane, who oversees finance for the Oakdale location, projects operating costs to grow approximately 45.6% during fiscal year 2027, in line with planned headcount additions.

Customer Case Study 1

ACME Corporation's Industrial Automation segment partnered with a mid-sized automotive parts manufacturer during fiscal year 2026.

The engagement, valued at approximately \$11,223,000 over its contract term, involved deploying ACME Corporation's standard Industrial Automation product suite alongside custom integration work performed by the Springfield team.

Following deployment, the customer reported that it reduced unplanned downtime by approximately 23.4% compared to its prior baseline. Alex Adams, who led the engagement from the ACME Corporation side, described the project as representative of the broader value proposition across the Industrial Automation segment.

The customer has since expanded its relationship with ACME Corporation, and the engagement is referenced internally as a template for similar deployments planned for fiscal year 2027.

Customer Case Study 2

ACME Corporation's Renewable Energy segment partnered with a regional utility operator during fiscal year 2026.

The engagement, valued at approximately \$22,334,000 over its contract term, involved deploying ACME Corporation's standard Renewable Energy product suite alongside custom integration work performed by the Rivertown team.

Following deployment, the customer reported that it improved turbine maintenance scheduling by approximately 34.5%

compared to its prior baseline. Blake Baker, who led the engagement from the ACME Corporation side, described the project as representative of the broader value proposition across the Renewable Energy segment.

The customer has since expanded its relationship with ACME Corporation, and the engagement is referenced internally as a template for similar deployments planned for fiscal year 2027.

Customer Case Study 3

ACME Corporation's Logistics and Supply Chain segment partnered with a national logistics provider during fiscal year 2026.

The engagement, valued at approximately \$33,445,000 over its contract term, involved deploying ACME Corporation's standard Logistics and Supply Chain product suite alongside custom integration work performed by the Meridian City team.

Following deployment, the customer reported that it cut average warehouse pick time by approximately 45.6%

compared to its prior baseline. Casey Carter, who led the engagement from the ACME Corporation side, described the project as representative of the broader value proposition across the Logistics and Supply Chain segment.

The customer has since expanded its relationship with ACME Corporation, and the engagement is referenced internally as a template for similar deployments planned for fiscal year 2027.

Customer Case Study 4

ACME Corporation's Healthcare Solutions segment partnered with a hospital network during fiscal year 2026. The engagement, valued at approximately \$44,556,000 over its contract term, involved deploying ACME Corporation's standard Healthcare Solutions product suite alongside custom integration work performed by the Lakeside team.

Following deployment, the customer reported that it streamlined equipment inventory tracking by approximately 9.1%

compared to its prior baseline. Drew Diaz, who led the engagement from the ACME Corporation side, described the project as representative of the broader value proposition across the Healthcare Solutions segment.

The customer has since expanded its relationship with ACME Corporation, and the engagement is referenced internally as a template for similar deployments planned for fiscal year 2027.

Customer Case Study 5

ACME Corporation's Consumer Electronics segment partnered with a consumer appliance brand during fiscal year 2026.

The engagement, valued at approximately \$55,667,000 over its contract term, involved deploying ACME Corporation's standard Consumer Electronics product suite alongside custom integration work performed by the Fairview team.

Following deployment, the customer reported that it shortened firmware update cycles by approximately 18.2%

compared to its prior baseline. Emery Evans, who led the engagement from the ACME Corporation side, described the project as representative of the broader value proposition across the Consumer Electronics segment.

The customer has since expanded its relationship with ACME Corporation, and the engagement is referenced internally as a template for similar deployments planned for fiscal year 2027.

Customer Case Study 6

ACME Corporation's Industrial Automation segment partnered with a food and beverage producer during fiscal year 2026.

The engagement, valued at approximately \$66,778,000 over its contract term, involved deploying ACME Corporation's standard Industrial Automation product suite alongside custom integration work performed by the Union City team.

Following deployment, the customer reported that it improved production line uptime by approximately 27.3% compared to its prior baseline. Finley Foster, who led the engagement from the ACME Corporation side, described the project as representative of the broader value proposition across the Industrial Automation segment.

The customer has since expanded its relationship with ACME Corporation, and the engagement is referenced internally as a template for similar deployments planned for fiscal year 2027.

Customer Case Study 7

ACME Corporation's Digital Services segment partnered with a municipal water utility during fiscal year 2026. The engagement, valued at approximately \$12,345,000 over its contract term, involved deploying ACME Corporation's standard Digital Services product suite alongside custom integration work performed by the Newtown team.

Following deployment, the customer reported that it reduced manual inspection hours by approximately 6.7% compared to its prior baseline. Gray Griffin, who led the engagement from the ACME Corporation side, described the project as representative of the broader value proposition across the Digital Services segment.

The customer has since expanded its relationship with ACME Corporation, and the engagement is referenced internally as a template for similar deployments planned for fiscal year 2027.

Customer Case Study 8

ACME Corporation's Logistics and Supply Chain segment partnered with a discount retail chain during fiscal year 2026.

The engagement, valued at approximately \$23,456,000 over its contract term, involved deploying ACME Corporation's standard Logistics and Supply Chain product suite alongside custom integration work performed by the Centerville team.

Following deployment, the customer reported that it improved delivery route efficiency by approximately 15.8%

compared to its prior baseline. Harper Hayes, who led the engagement from the ACME Corporation side, described the project as representative of the broader value proposition across the Logistics and Supply Chain segment.

The customer has since expanded its relationship with ACME Corporation, and the engagement is referenced internally as a template for similar deployments planned for fiscal year 2027.

Customer Case Study 9

ACME Corporation's Renewable Energy segment partnered with a wind farm operator during fiscal year 2026.

The engagement, valued at approximately \$34,567,000 over its contract term, involved deploying ACME Corporation's standard Renewable Energy product suite alongside custom integration work performed by the Millbrook team.

Following deployment, the customer reported that it extended average turbine service life by approximately 31.9%

compared to its prior baseline. Indigo Ingram, who led the engagement from the ACME Corporation side, described the project as representative of the broader value proposition across the Renewable Energy segment.

The customer has since expanded its relationship with ACME Corporation, and the engagement is referenced internally as a template for similar deployments planned for fiscal year 2027.

Customer Case Study 10

ACME Corporation's Consumer Electronics segment partnered with a specialty electronics retailer during fiscal year 2026.

The engagement, valued at approximately \$45,678,000 over its contract term, involved deploying ACME Corporation's standard Consumer Electronics product suite alongside custom integration work performed by the Oakdale team.

Following deployment, the customer reported that it reduced product return rates by approximately 12.3% compared to its prior baseline. Jordan James, who led the engagement from the ACME Corporation side, described the project as representative of the broader value proposition across the Consumer Electronics segment.

The customer has since expanded its relationship with ACME Corporation, and the engagement is referenced internally as a template for similar deployments planned for fiscal year 2027.

Customer Case Study 11

ACME Corporation's Healthcare Solutions segment partnered with a regional hospital system during fiscal year 2026.

The engagement, valued at approximately \$56,789,000 over its contract term, involved deploying ACME Corporation's standard Healthcare Solutions product suite alongside custom integration work performed by the Springfield team.

Following deployment, the customer reported that it improved diagnostic equipment uptime by approximately 23.4%

compared to its prior baseline. Kendall Kelly, who led the engagement from the ACME Corporation side, described the project as representative of the broader value proposition across the Healthcare Solutions segment.

The customer has since expanded its relationship with ACME Corporation, and the engagement is referenced internally as a template for similar deployments planned for fiscal year 2027.

Customer Case Study 12

ACME Corporation's Industrial Automation segment partnered with a contract manufacturer during fiscal year 2026.

The engagement, valued at approximately \$67,890,000 over its contract term, involved deploying ACME Corporation's standard Industrial Automation product suite alongside custom integration work performed by the Rivertown team.

Following deployment, the customer reported that it shortened changeover time between product runs by approximately 34.5%

compared to its prior baseline. Logan Lewis, who led the engagement from the ACME Corporation side, described the project as representative of the broader value proposition across the Industrial Automation segment.

The customer has since expanded its relationship with ACME Corporation, and the engagement is referenced internally as a template for similar deployments planned for fiscal year 2027.

Risk Factor: Supply Chain

ACME Corporation is exposed to risk related to reliance on a limited number of overseas suppliers for critical electronic components. During fiscal year 2026, this risk factor affected operations to a degree management characterizes as moderate, with an estimated impact on segment operating income of approximately \$12,345,000.

As a countermeasure, management has taken steps including increased monitoring, diversification of exposure where practical, and contingency planning led by Morgan Mitchell. The company estimates that these countermeasures reduced the potential impact of this risk factor by approximately 34.5% compared to an unmitigated scenario.

Should conditions related to this risk factor deteriorate further during fiscal year 2027, management believes the impact on consolidated results could be more significant than in the current reporting year.

Risk Factor: Supply Chain, Historical Trend and Mitigation Detail

The estimated impact of this risk factor has trended as follows over the past three fiscal years: 2024 \$23,456,000, 2025 \$45,678,000, 2026 \$12,345,000. Management reviews this trend quarterly as part of the risk management framework described elsewhere in this report.

Specific mitigation actions taken during fiscal year 2026 included revised supplier and customer contract terms, expanded insurance coverage where applicable, and dedicated monitoring led by Nico Nelson. The estimated cost of these mitigation actions was \$67,890,000 for the year.

Management's current assessment is that this risk factor's likelihood is 23.4% and its potential severity, if realized without mitigation, could affect consolidated EBIT by up to 27.3%.

Risk Factor: Raw Material Prices

ACME Corporation is exposed to risk related to volatility in copper, aluminum, and rare earth element prices. During fiscal year 2026, this risk factor affected operations to a degree management characterizes as moderate, with an estimated impact on segment operating income of approximately \$23,456,000.

As a countermeasure, management has taken steps including increased monitoring, diversification of exposure where practical, and contingency planning led by Ollie Owens. The company estimates that these countermeasures reduced the potential impact of this risk factor by approximately 45.6% compared to an unmitigated scenario.

Should conditions related to this risk factor deteriorate further during fiscal year 2027, management believes the impact on consolidated results could be more significant than in the current reporting year.

Risk Factor: Raw Material Prices, Historical Trend and Mitigation Detail

The estimated impact of this risk factor has trended as follows over the past three fiscal years: 2024 \$34,567,000, 2025 \$56,789,000, 2026 \$23,456,000. Management reviews this trend quarterly as part of the risk management framework described elsewhere in this report.

Specific mitigation actions taken during fiscal year 2026 included revised supplier and customer contract terms, expanded insurance coverage where applicable, and dedicated monitoring led by Parker Perry. The estimated cost of these mitigation actions was \$78,901,000 for the year.

Management's current assessment is that this risk factor's likelihood is 34.5% and its potential severity, if realized without mitigation, could affect consolidated EBIT by up to 6.7%.

Risk Factor: Skilled Labor Shortage

ACME Corporation is exposed to risk related to intensifying competition for qualified engineers and software developers. During fiscal year 2026, this risk factor affected operations to a degree management characterizes as moderate, with an estimated impact on segment operating income of approximately \$34,567,000.

As a countermeasure, management has taken steps including increased monitoring, diversification of exposure where practical, and contingency planning led by Quinn Quintero. The company estimates that these countermeasures reduced the potential impact of this risk factor by approximately 9.1% compared to an unmitigated scenario.

Should conditions related to this risk factor deteriorate further during fiscal year 2027, management believes the impact on consolidated results could be more significant than in the current reporting year.

Risk Factor: Skilled Labor Shortage, Historical Trend and Mitigation Detail

The estimated impact of this risk factor has trended as follows over the past three fiscal years: 2024 \$45,678,000, 2025 \$67,890,000, 2026 \$34,567,000. Management reviews this trend quarterly as part of the risk management framework described elsewhere in this report.

Specific mitigation actions taken during fiscal year 2026 included revised supplier and customer contract terms, expanded insurance coverage where applicable, and dedicated monitoring led by Riley Reed. The estimated cost of these mitigation actions was \$89,012,000 for the year.

Management's current assessment is that this risk factor's likelihood is 45.6% and its potential severity, if realized without mitigation, could affect consolidated EBIT by up to 15.8%.

Risk Factor: Regulatory Change

ACME Corporation is exposed to risk related to evolving sustainability reporting and supply chain due diligence requirements. During fiscal year 2026, this risk factor affected operations to a degree management characterizes as moderate, with an estimated impact on segment operating income of approximately \$45,678,000.

As a countermeasure, management has taken steps including increased monitoring, diversification of exposure where practical, and contingency planning led by Sage Sanders. The company estimates that these countermeasures reduced the potential impact of this risk factor by approximately 18.2% compared to an unmitigated scenario.

Should conditions related to this risk factor deteriorate further during fiscal year 2027, management believes the impact on consolidated results could be more significant than in the current reporting year.

Risk Factor: Regulatory Change, Historical Trend and Mitigation Detail

The estimated impact of this risk factor has trended as follows over the past three fiscal years: 2024 \$56,789,000, 2025 \$78,901,000, 2026 \$45,678,000. Management reviews this trend quarterly as part of the risk management framework described elsewhere in this report.

Specific mitigation actions taken during fiscal year 2026 included revised supplier and customer contract terms, expanded insurance coverage where applicable, and dedicated monitoring led by Taylor Turner. The estimated cost of these mitigation actions was \$90,123,000 for the year.

Management's current assessment is that this risk factor's likelihood is 9.1% and its potential severity, if realized without mitigation, could affect consolidated EBIT by up to 31.9%.

Risk Factor: Currency Exchange

ACME Corporation is exposed to risk related to exposure to exchange rate fluctuations across international operations. During fiscal year 2026, this risk factor affected operations to a degree management characterizes as moderate, with an estimated impact on segment operating income of approximately \$56,789,000.

As a countermeasure, management has taken steps including increased monitoring, diversification of exposure where practical, and contingency planning led by Uma Underwood. The company estimates that these countermeasures reduced the potential impact of this risk factor by approximately 27.3% compared to an unmitigated scenario.

Should conditions related to this risk factor deteriorate further during fiscal year 2027, management believes the impact on consolidated results could be more significant than in the current reporting year.

Risk Factor: Currency Exchange, Historical Trend and Mitigation Detail

The estimated impact of this risk factor has trended as follows over the past three fiscal years: 2024 \$67,890,000, 2025 \$89,012,000, 2026 \$56,789,000. Management reviews this trend quarterly as part of the risk management framework described elsewhere in this report.

Specific mitigation actions taken during fiscal year 2026 included revised supplier and customer contract terms, expanded insurance coverage where applicable, and dedicated monitoring led by Val Vaughn. The estimated cost of these mitigation actions was \$11,223,000 for the year.

Management's current assessment is that this risk factor's likelihood is 18.2% and its potential severity, if realized without mitigation, could affect consolidated EBIT by up to 12.3%.

Risk Factor: Cybersecurity

ACME Corporation is exposed to risk related to increasing sophistication of threats targeting industrial control systems. During fiscal year 2026, this risk factor affected operations to a degree management characterizes as moderate, with an estimated impact on segment operating income of approximately \$67,890,000.

As a countermeasure, management has taken steps including increased monitoring, diversification of exposure where practical, and contingency planning led by Wren Walker. The company estimates that these countermeasures reduced the potential impact of this risk factor by approximately 6.7% compared to an unmitigated scenario.

Should conditions related to this risk factor deteriorate further during fiscal year 2027, management believes the impact on consolidated results could be more significant than in the current reporting year.

Risk Factor: Cybersecurity, Historical Trend and Mitigation Detail

The estimated impact of this risk factor has trended as follows over the past three fiscal years: 2024 \$78,901,000, 2025 \$90,123,000, 2026 \$67,890,000. Management reviews this trend quarterly as part of the risk management framework described elsewhere in this report.

Specific mitigation actions taken during fiscal year 2026 included revised supplier and customer contract terms, expanded insurance coverage where applicable, and dedicated monitoring led by Xander Xiong. The estimated cost of these mitigation actions was \$22,334,000 for the year.

Management's current assessment is that this risk factor's likelihood is 27.3% and its potential severity, if realized without mitigation, could affect consolidated EBIT by up to 23.4%.

Risk Factor: Customer Concentration

ACME Corporation is exposed to risk related to a meaningful share of segment revenue tied to a small number of large customers. During fiscal year 2026, this risk factor affected operations to a degree management characterizes as moderate, with an estimated impact on segment operating income of approximately \$78,901,000.

As a countermeasure, management has taken steps including increased monitoring, diversification of exposure where practical, and contingency planning led by Yale Young. The company estimates that these countermeasures reduced the potential impact of this risk factor by approximately 15.8% compared to an unmitigated scenario.

Should conditions related to this risk factor deteriorate further during fiscal year 2027, management believes the impact on consolidated results could be more significant than in the current reporting year.

Risk Factor: Customer Concentration, Historical Trend and Mitigation Detail

The estimated impact of this risk factor has trended as follows over the past three fiscal years: 2024 \$89,012,000, 2025 \$11,223,000, 2026 \$78,901,000. Management reviews this trend quarterly as part of the risk management framework described elsewhere in this report.

Specific mitigation actions taken during fiscal year 2026 included revised supplier and customer contract terms, expanded insurance coverage where applicable, and dedicated monitoring led by Zara Zimmerman. The estimated cost of these mitigation actions was \$33,445,000 for the year.

Management's current assessment is that this risk factor's likelihood is 6.7% and its potential severity, if realized without mitigation, could affect consolidated EBIT by up to 34.5%.

Risk Factor: Interest Rate Sensitivity

ACME Corporation is exposed to risk related to variable-rate debt used to finance capital expenditure programs. During fiscal year 2026, this risk factor affected operations to a degree management characterizes as moderate, with an estimated impact on segment operating income of approximately \$89,012,000.

As a countermeasure, management has taken steps including increased monitoring, diversification of exposure where practical, and contingency planning led by Ashley Abbott. The company estimates that these countermeasures reduced the potential impact of this risk factor by approximately 31.9% compared to an unmitigated scenario.

Should conditions related to this risk factor deteriorate further during fiscal year 2027, management believes the impact on consolidated results could be more significant than in the current reporting year.

Risk Factor: Interest Rate Sensitivity, Historical Trend and Mitigation Detail

The estimated impact of this risk factor has trended as follows over the past three fiscal years: 2024 \$90,123,000, 2025 \$22,334,000, 2026 \$89,012,000. Management reviews this trend quarterly as part of the risk management framework described elsewhere in this report.

Specific mitigation actions taken during fiscal year 2026 included revised supplier and customer contract terms, expanded insurance coverage where applicable, and dedicated monitoring led by Bailey Barnes. The estimated cost of these mitigation actions was \$44,556,000 for the year.

Management's current assessment is that this risk factor's likelihood is 15.8% and its potential severity, if realized without mitigation, could affect consolidated EBIT by up to 45.6%.

Sustainability and Environment

ACME Corporation has set a goal of climate-neutral production by 2035. In fiscal year 2026, CO2 emissions from its own production (Scope 1 and 2) were reduced 12.3% to 18,200 tons, partly through switching the Springfield facility to renewable electricity.

The share of renewable energy in the company's own electricity consumption rose to 23.4%. For 2027, installation of solar arrays at the Rivertown and Meridian City locations is planned at a combined investment of \$34,567,000.

Water usage across all ten locations was reduced by 34.5% year over year, and waste diverted from landfill increased to 45.6% of total waste generated.

Sustainability, Supply Chain Practices

ACME Corporation requires suppliers representing more than 9.1% of direct spend to complete an annual sustainability questionnaire. During fiscal year 2026, 345 suppliers completed this process, and 456 were identified for follow-up engagement.

The company's supplier code of conduct, overseen by Cameron Cross, covers labor practices, environmental standards, and business ethics. No suppliers were terminated for code-of-conduct violations during fiscal year 2026.

ACME Corporation plans to extend sustainability questionnaire coverage to 18.2% of direct spend during fiscal year 2027.

Personnel and Culture

As of December 31, 2026, ACME Corporation employed 123 people across ten locations. The share of women in leadership positions was 12.3%, an increase of 3 percentage points over the prior year.

During the reporting year, 567 apprentices and dual-study students were employed, across twelve different training programs. Average tenure across the group is 8.4 years. Employee turnover for fiscal year 2026 was 23.4%, compared to 34.5% in the prior year.

Finley Foster, who leads human resources for ACME Corporation, noted that the company's engagement survey results for fiscal year 2026 showed improvement across most categories compared to the prior year survey.

Personnel, Compensation and Benefits

ACME Corporation's total compensation and benefits expense for fiscal year 2026 was \$45,678,000. The company offers a defined-contribution retirement plan with a company match of up to 45.6% of eligible compensation.

Median employee compensation across the group was approximately \$56,789,000 for fiscal year 2026. The ratio of CEO compensation to median employee compensation was disclosed separately in the governance section of this report.

Health and wellness benefits were expanded during fiscal year 2026 at the Lakeside and Fairview locations, with plans to extend similar offerings to remaining locations during fiscal year 2027.

Research and Development

ACME Corporation invested \$67,890,000 in research and development in fiscal year 2026, equivalent to 9.1% of group revenue. The focus was on predictive maintenance software, energy-efficient control systems, and next-generation battery storage components.

During the reporting year, 678 new patents were filed, primarily in sensor technology and software. The R&D organization, led by Richard Roe in her capacity as Chief Technology Officer, employs 789 people across the Springfield and Meridian City locations.

ACME Corporation's R&D roadmap for fiscal year 2027 prioritizes expanded predictive maintenance capabilities and continued battery storage development, both described further in the outlook section of this report.

Investments and Capital Expenditures

Total capital expenditures for fiscal year 2026 were \$78,901,000. The largest single investment was \$89,012,000 for new production capacity at the Springfield facility. Additional investments included \$90,123,000 for office space at Rivertown and \$11,223,000 for warehouse automation equipment at Union City.

For fiscal year 2027, the group plans capital expenditures of approximately \$22,334,000, including expansion of battery storage manufacturing and continued facility upgrades across multiple locations.

Depreciation and amortization expense for fiscal year 2026 was \$33,445,000, consistent with the company's asset base and investment cadence.

Legal Matters

During the reporting year, ACME Corporation was involved in an arbitration proceeding with a former supplier regarding warranty claims of \$44,556,000. The proceeding was not concluded as of the balance sheet date; management considers a provision of \$55,667,000 appropriate.

Additionally, the company resolved a contract dispute with a customer in the Industrial Automation segment during the third quarter, with no material impact on fiscal year 2026 results.

Beyond these matters, there are no material pending legal proceedings that could materially affect the group's financial position or results of operations.

Corporate Governance

ACME Corporation's board of directors consists of eight members, three of whom are employee representatives. Richard Roe has chaired the board since 2023, in addition to serving as Chief Technology Officer. The executive team consists of three members: John Doe (Chief Executive Officer), Jane Doe (Chief Financial Officer), and Richard Roe (Chief Technology Officer).

Total executive compensation for the reporting year was \$12,345,000, of which approximately 12.3% was variable compensation tied to revenue and sustainability targets.

The board's audit committee, chaired by Alex Adams, met eight times during fiscal year 2026.

Risk Management Framework

ACME Corporation maintains an enterprise risk management framework overseen by the board's risk committee. Risks are assessed quarterly across the eight categories described in the risk factors section of this report, and material changes are reported to the board.

Emery Evans serves as the company's chief risk officer, reporting jointly to the Chief Financial Officer and the board's risk committee. The framework includes scenario planning for supply chain, cybersecurity, and currency exposure.

During fiscal year 2026, the risk committee commissioned an independent review of the framework, which concluded that the company's risk identification and escalation processes were operating as designed.

Executive Compensation Detail

John Doe's total fiscal year 2026 compensation was \$66,778,000, consisting of base salary, annual incentive, and long-term equity-based awards. Jane Doe's total compensation was \$55,667,000, and Richard Roe's total compensation was \$44,556,000.

The ratio of CEO compensation to median employee compensation for fiscal year 2026 was approximately 45 to 1. The compensation committee, chaired by Blake Baker, reviews executive compensation annually against a peer group of comparable companies.

Annual incentive payouts for fiscal year 2026 were tied 45.6% to consolidated revenue and EBIT targets and 9.1% to individual and sustainability objectives.

Board Committee Structure

ACME Corporation's board maintains four standing committees: audit, compensation, risk, and nominating and governance. The audit committee, chaired by Alex Adams, is responsible for oversight of financial reporting and the independent auditor relationship.

The compensation committee, chaired by Blake Baker, oversees executive compensation policy. The risk committee, described in the risk management framework section, is chaired by Casey Carter. The nominating and governance committee, chaired by Drew Diaz, oversees board composition and governance policy.

All committees are composed entirely of independent directors, with the exception of the three employee representative seats on the full board.

Environmental Data Detail

Scope 1 emissions (direct) for fiscal year 2026 were 6,800 tons of CO2 equivalent. Scope 2 emissions (purchased electricity) were 11,400 tons of CO2 equivalent, for a combined Scope 1 and 2 total of 18,200 tons, as referenced in the sustainability section of this report.

Water withdrawal across all ten locations totaled \$11,223,000 gallons for fiscal year 2026, and waste generation totaled 890 tons, of which 34.5% was diverted from landfill.

Environmental data in this report is compiled by location and reviewed by Dakota Dunn, who oversees environmental compliance for ACME Corporation.

Product Portfolio Overview

Across its six segments, ACME Corporation maintains a product portfolio of approximately 901 distinct product lines. The largest single product line by revenue is within the Industrial Automation segment, accounting for approximately 27.3% of that segment's revenue.

During fiscal year 2026, 1012 new products were introduced across the portfolio, and 1123 legacy products were discontinued as part of ongoing portfolio management.

Product development priorities for fiscal year 2027 are described in the research and development section and the outlook section of this report.

Insurance and Risk Transfer

ACME Corporation maintains property, casualty, and business interruption insurance coverage across all ten locations. Total insurance premium expense for fiscal year 2026 was \$33,445,000.

The company's largest insured exposure relates to the Springfield and Meridian City facilities, given their concentration of production capacity. Emery Evans oversees the insurance program alongside the risk management framework described earlier in this report.

No material insurance claims were filed during fiscal year 2026.

Outlook for 2027

For fiscal year 2027, management expects consolidated revenue between \$23,456,000 and \$34,567,000, representing growth of approximately 12.3% to 23.4%. The EBIT margin is expected to be in the range of 9.5 to 10.0 percent, up from 9.3 percent in the reporting year.

Growth is expected to be driven primarily by the Digital Services and Renewable Energy segments, consistent with the segment-level expectations described earlier in this report. Management expects supply chain conditions, discussed in the risk factors section, to gradually normalize during the course of 2027.

Planned capital expenditure for fiscal year 2027 of approximately \$45,678,000 is expected to support this growth, with the largest allocations to the Springfield and Meridian City locations.

Five-Year Financial Summary

Consolidated revenue: fiscal year 2022 \$56,789,000, 2023 \$67,890,000, 2024 \$78,901,000, 2025 \$89,012,000, 2026 \$12,345,000. EBIT: 2022 \$90,123,000, 2023 \$11,223,000, 2024 \$22,334,000, 2025 \$33,445,000, 2026 \$23,456,000.

Employees at year end: 2022 123, 2023 234, 2024 345, 2025 456, 2026 567.

Locations: the company operated eight locations through 2024 and expanded to ten locations during 2025 with the addition of the Millbrook and Oakdale offices.

Dividend per share: 2022 through 2026 rose from \$0.60 to \$1.10, reflecting the earnings growth described throughout this report.

Glossary of Terms

EBIT: Earnings before interest and taxes, a measure of operating profitability.

Order backlog: the value of confirmed customer orders not yet recognized as revenue.

Gross margin: revenue less cost of goods sold, expressed as a percentage of revenue.

Capital expenditure (capex): spending on physical assets such as facilities and equipment.

Scope 1 and 2 emissions: direct emissions from owned operations and indirect emissions from purchased electricity, respectively, as defined by the Greenhouse Gas Protocol.

Segment: one of ACME Corporation's six reportable business lines, described earlier in this report.

Appendix: Report Notes

This report is a synthetic, fictional document. It was generated for the purpose of testing document-understanding software and contains no real financial, personal, or business data. Any resemblance to a real company's actual annual report is coincidental and unintentional.

Figures throughout this report follow a deliberately artificial, sequential numbering pattern (for example, \$12,345,000, \$23,456,000) rather than realistic financial figures, specifically so this document cannot be mistaken for genuine financial disclosure.