STEEL PARTNERS HOLDINGS L.P.

A Delaware Limited Partnership

590 MADISON AVENUE, 32ND FLOOR NEW YORK, NY 10022
Company Address

Telephone: (212) 520-2300
Corporate Website: www.steelpartners.com
Email Investor Relations: jgolembeske@steelpartners.com

SIC Code: 3390

Quarterly Report

For the period ended June 30, 2025
(the "Reporting Period")

The number of shares outstanding of our Common Units is 19,102,399 as of June 30, 2025
The number of shares outstanding of our Common Units was 19,078,201 as of December 31, 2024

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934): Yes: ☐ No: ☑

Indicate by check mark whether the company's shell status has changed since the previous reporting period: Yes: ☐ No: ☑

Indicate by check mark whether a change in control of the company has occurred over this reporting period: Yes: ☐ No: ☑

Item 1 Exact name of the issuer and the address of its principal executive offices.

The issuer and its principal executive office

Steel Partners Holdings L.P.
590 Madison Avenue, 32nd Floor
New York, NY 10022

Investor Relations Contact

Jennifer Golembeske
(212) 520-2300
jgolembeske@steelpartners.com

Item 2 Shares outstanding.

Common Units	Outstanding at June 30, 2025
no par value	19,102,399

6.0% Series A Preferred Units	Outstanding at June 30, 2025
no par value	5,783,236

As of June 30, 2025, we had approximately 212 unitholders of record of Common Units and 48 unitholders of record of 6.0% Series A Preferred Units.

Item 3 Interim financial statements.

The interim financial statements are attached at the end of this Disclosure Statement.

Item 4 Management's discussion and analysis or plan of operation.

The company's Management's Discussion and Analysis of Financial Condition and Results of Operations are attached at the end of this Disclosure Statement starting on page 35.

Item 5 Legal proceedings.

Please refer to Note 14 - Commitments and Contingencies, attached at the end of this Disclosure Statement starting on page 27.

Item 6 Defaults upon senior securities.

None noted.

Item 7 Other information.

None noted.

Item 8 Exhibits.

None noted.

Item 9 Certifications.

I, Warren G. Lichtenstein, certify that:

1. I have reviewed this quarterly disclosure statement of Steel Partners Holdings L.P.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: August 5, 2025

/s/ Warren G. Lichtenstein

Warren G. Lichtenstein
Executive Chairman

I, Ryan O'Herrin, certify that:

1. I have reviewed this quarterly disclosure statement of Steel Partners Holdings L.P.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: August 5, 2025

/s/ Ryan O'Herrin

Ryan O'Herrin
Chief Financial Officer

PART I - FINANCIAL INFORMATION
Item 3. Financial Statements

STEEL PARTNERS HOLDINGS L.P.
Consolidated Balance Sheets
(Unaudited)
(in thousands, except common units)

	June 30, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 346,450	$ 404,442
Trade and other receivables - net of allowance for doubtful accounts of $1,390 and $1,509, respectively	236,425	227,996
Loans receivable, including loans held for sale of $660,347 and $739,822, respectively, net	1,591,791	1,566,981
Inventories, net	203,088	195,617
Prepaid expenses and other current assets	56,376	48,649
Total current assets	2,434,130	2,443,685
Long-term loans receivable, net	193,443	231,262
Goodwill	146,052	145,670
Other intangible assets, net	89,595	97,280
Deferred tax assets	50,324	80,273
Other non-current assets	191,490	149,429
Property, plant and equipment, net	270,223	275,775
Pension asset	6,361	5,903
Operating lease right-of-use assets	78,752	66,297
Long-term investments	185,954	84,693
Total Assets	$ 3,646,324	$ 3,580,267
LIABILITIES AND CAPITAL		
Current liabilities:		
Accounts payable	$ 154,078	$ 131,768
Accrued liabilities	114,378	101,592
Deposits	1,459,627	1,483,241
Short-term preferred unit liability	143,175	—
Other current liabilities	79,630	101,768
Total current liabilities	1,950,888	1,818,369
Long-term deposits	233,411	173,801
Long-term debt	65,954	119,588
Other borrowings	24	1,632
Preferred unit liability	—	155,613
Accrued pension liabilities	16,602	16,447
Deferred tax liabilities	2,790	10,047
Long-term operating lease liabilities	66,054	53,134
Other non-current liabilities	60,344	58,212
Total Liabilities	2,396,067	2,406,843
Commitments and Contingencies		
Capital:		
Partners' capital common units: 19,102,399 and 19,078,201 issued and outstanding (after deducting 10,725,757 and 20,727,941 units held in treasury, at cost of $169,753 and $438,708), respectively	1,346,730	1,234,793
Accumulated other comprehensive loss	(96,867)	(102,381)
Total Partners' Capital	1,249,863	1,132,412
Noncontrolling interests in consolidated entities	394	41,012
Total Capital	1,250,257	1,173,424
Total Liabilities and Capital	$ 3,646,324	$ 3,580,267

See accompanying Notes to Consolidated Financial Statements

STEEL PARTNERS HOLDINGS L.P.
Consolidated Statements of Operations
(Unaudited)
(in thousands, except common units and per common unit data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Revenue:				
Diversified Industrial net sales	$ 337,256	$ 334,494	$ 639,400	$ 626,934
Energy net revenue	40,375	36,995	76,397	68,916
Financial Services revenue	125,282	115,593	242,366	225,548
Supply Chain revenue	49,141	46,077	93,113	88,107
Total revenue	552,054	533,159	1,051,276	1,009,505
Costs and expenses:				
Cost of goods sold	307,802	303,196	588,334	577,352
Selling, general and administrative expenses	143,154	139,699	289,317	274,991
Asset impairment charge	—	—	195	—
Finance interest expense	17,296	23,086	33,949	47,049
Provision for credit losses	3,489	2,319	7,338	3,074
Interest expense	2,971	1,687	6,041	3,081
Realized and unrealized gains on securities, net	(27,096)	(986)	(17,141)	(5,054)
Other income, net	(47)	(1,797)	(1,037)	(2,612)
Total costs and expenses	447,569	467,204	906,996	897,881
Income from operations before income taxes and equity method investments	104,485	65,955	144,280	111,624
Income tax provision (benefit)	27,643	(58,991)	38,385	(48,130)
Loss of associated companies, net of taxes	—	—	—	7
Net income	76,842	124,946	105,895	159,747
Net loss (income) attributable to noncontrolling interests in consolidated entities	8	(8,608)	(43)	(9,178)
Net income attributable to common unitholders	$ 76,850	$ 116,338	$ 105,852	$ 150,569
Net income per common unit - basic				
Net income attributable to common unitholders	$ 4.04	$ 5.72	$ 5.57	$ 7.33
Net income per common unit - diluted				
Net income attributable to common unitholders	$ 3.43	$ 4.85	$ 4.87	$ 6.34
Weighted-average number of common units outstanding - basic	19,013,665	20,326,629	19,021,592	20,544,437
Weighted-average number of common units outstanding - diluted	23,198,290	24,618,691	22,947,076	24,714,933

See accompanying Notes to Consolidated Financial Statements

STEEL PARTNERS HOLDINGS L.P.
Consolidated Statements of Comprehensive Income
(Unaudited)
(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Net income	$ 76,842	$ 124,946	$ 105,895	$ 159,747
Other comprehensive income (loss), net of taxes:				
Currency translation adjustments	3,900	(604)	5,514	(1,714)
Other comprehensive income (loss)	3,900	(604)	5,514	(1,714)
Comprehensive income	80,742	124,342	111,409	158,033
Comprehensive loss (income) attributable to noncontrolling interests	8	(8,608)	(43)	(9,178)
Comprehensive income attributable to common unitholders	$ 80,750	$ 115,734	$ 111,366	$ 148,855

See accompanying Notes to Consolidated Financial Statements

STEEL PARTNERS HOLDINGS L.P.
Consolidated Statements of Changes in Capital
(Unaudited)
(in thousands, except common units and treasury units)

	Steel Partners Holdings L.P. Common Unitholders							
	Common Units	Treasury Units: Units	Treasury Units: Dollars	Partners' Capital	Accumulated Other Comprehensive Loss	Total Partners' Capital	Noncontrolling Interests in Consolidated Entities	Total Capital
Balance as of December 31, 2024	39,806,142	(20,727,941)	$ (438,708)	$ 1,234,793	$ (102,381)	$ 1,132,412	$ 41,012	$ 1,173,424
Net income	—	—	—	29,002	—	29,002	51	29,053
Currency translation adjustments	—	—	—	—	1,614	1,614	—	1,614
Equity compensation - restricted units	72,039	—	—	411	—	411	—	411
Tax withholding related to vesting of restricted units	(609)	—	—	(26)	—	(26)	—	(26)
Purchases of SPLP common units	—	(3,132)	(127)	(127)	—	(127)	—	(127)
Purchases of subsidiary shares from noncontrolling interest	—	—	—	7,198	—	7,198	(41,076)	(33,878)
Adjustment to interest in consolidated subsidiaries	—	—	—	—	—	—	367	367
Other, net	—	—	—	(114)	—	(114)	—	(114)
Balance as of March 31, 2025	39,877,572	(20,731,073)	(438,835)	1,271,137	(100,767)	1,170,370	354	1,170,724
Net income	—	—	—	76,850	—	76,850	(8)	76,842
Currency translation adjustments	—	—	—	—	3,900	3,900	—	3,900
Equity compensation - restricted units	7,500	—	—	630	—	630	—	630
Tax withholding related to vesting of restricted units	(3,818)	—	—	(12)	—	(12)	—	(12)
Purchases of SPLP common units	—	(47,782)	(1,876)	(1,876)	—	(1,876)	—	(1,876)
Retirement of treasury stock	(10,053,098)	10,053,098	270,958	—	—	—	—	—
Other, net	—	—	—	1	—	1	48	49
Balance as of June 30, 2025	29,828,156	(10,725,757)	$ (169,753)	$ 1,346,730	$ (96,867)	$ 1,249,863	$ 394	$ 1,250,257

	Steel Partners Holdings L.P. Common Unitholders							
	Common Units	Treasury Units		Partners' Capital	Accumulated Other Comprehensive Loss	Total Partners' Capital	Noncontrolling Interests in Consolidated Entities	Total Capital
		Units	Dollars					
Balance as of December 31, 2023	39,663,374	(18,367,307)	$ (329,297)	$ 1,079,853	$ (121,223)	$ 958,630	$ 46,778	$ 1,005,408
Net income	—	—	—	34,231	—	34,231	570	34,801
Currency translation adjustments	—	—	—	—	(1,110)	(1,110)	—	(1,110)
Equity compensation - restricted units	2,995	—	—	381	—	381	—	381
Tax withholding related to vesting of restricted units	(609)	—	—	(587)	—	(587)	—	(587)
Share-based long term incentive plan unit awards	27,538	—	—	1,604	—	1,604	—	1,604
Purchases of SPLP common units	—	(933,787)	(39,487)	(39,487)	—	(39,487)	—	(39,487)
Adjustment to interest in consolidated subsidiaries	—	—	—	—	—	—	155	155
Other, net	—	—	—	34	—	34	11	45
Balance as of March 31, 2024	39,693,298	(19,301,094)	(368,784)	1,076,029	(122,333)	953,696	47,514	1,001,210
Net income	—	—	—	116,338	—	116,338	8,608	124,946
Currency translation adjustments	—	—	—	—	(604)	(604)	—	(604)
Equity compensation - restricted units	125,577	—	—	522	—	522	—	522
Tax withholding related to the vesting of restricted units	(1,515)	—	—	(55)	—	(55)	—	(55)
Purchases of SPLP common units	—	(43,557)	(1,646)	(1,646)	—	(1,646)	—	(1,646)
Adjustment to interest in consolidated subsidiaries	—	—	—	—	—	—	(10,697)	(10,697)
Other, net	—	—	—	10	—	10	46	56
Balance as of June 30, 2024	39,817,360	(19,344,651)	$ (370,430)	$ 1,191,775	$ (122,937)	$ 1,068,838	$ 45,471	$ 1,113,732

See accompanying Notes to Consolidated Financial Statements

STEEL PARTNERS HOLDINGS L.P.
Consolidated Statements of Cash Flows
(Unaudited)
(in thousands)

	Six Months Ended June 30,	
	2025	**2024**
Cash flows from operating activities:		
Net income	$ 105,895	$ 159,747
Adjustments to reconcile net income from operations to net cash (used in) provided by operating activities:		
Provision for credit losses	7,338	3,074
Loss of associated companies, net of taxes	—	7
Realized and unrealized gains on securities, net	(17,141)	(5,054)
Derivative gains on economic interests in loans	—	(2,581)
Non-cash pension expense	1,412	2,800
Deferred income taxes	22,470	(72,557)
Depreciation and amortization	29,982	28,843
Non-cash lease expense	11,567	11,575
Equity-based compensation	1,041	903
Asset impairment charges	195	—
Other	(147)	1,242
Net change in operating assets and liabilities:		
Trade and other receivables	(7,966)	(26,556)
Inventories	(7,239)	(3,220)
Prepaid expenses and other assets	(23,892)	(71,456)
Accounts payable, accrued and other liabilities	21,172	54,054
Net decrease in loans held for sale	79,475	185,594
Net cash provided by operating activities	$ 224,162	$ 266,415
Cash flows from investing activities:		
Purchases of investments	(164,746)	(43,189)
Proceeds from sales of investments	6,978	13,788
Proceeds from maturities of investments	32,384	12,034
Loan originations, net of collections	(73,134)	90,498
Purchases of property, plant and equipment	(14,663)	(18,363)
Proceeds from sale of property, plant and equipment	1,286	1,322
Other	(102)	(99)
Net cash (used in) provided by investing activities	$ (211,997)	$ 55,991
Cash flows from financing activities:		
Net revolver repayments	(53,600)	(112,649)
Repayments of term loans	(34)	(34)
Purchases of the Company's common units	(2,003)	(41,133)
Purchases of the Company's preferred units	(13,668)	(1,830)
Net decrease in other borrowings	(1,908)	(9,398)
Distribution to preferred unitholders	(4,408)	(4,760)
Purchase of subsidiary shares from noncontrolling interests	(33,512)	(10,905)
Tax withholding related to vesting of restricted units	(38)	(642)
Net increase (decrease) in deposits	35,995	(289,258)
Net cash used in financing activities	$ (73,176)	$ (470,609)
Net change for the period	(61,011)	(148,203)
Effect of exchange rate changes on cash and cash equivalents	3,019	(933)
Cash, cash equivalents and restricted cash at beginning of period	404,442	577,928
Cash, cash equivalents and restricted cash at end of period	$ 346,450	$ 428,792

See accompanying Notes to Consolidated Financial Statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

All amounts used in the Notes to Consolidated Financial Statements are in thousands, except common and preferred units, per common and preferred unit, share and per share data, and price per ounce.

1. NATURE OF THE BUSINESS AND BASIS OF PRESENTATION

Nature of the Business

Steel Partners Holdings L.P. ("we," "our," "SPLP," or "Company") is a diversified global holding company that engages in multiple businesses through consolidated subsidiaries and other interests. It owns and operates businesses and has significant interests in various companies, including diversified industrial products, energy, defense, supply chain management and logistics, banking and youth sports. SPLP operates through the following segments: Diversified Industrial, Energy, Financial Services and Supply Chain, which are managed separately and offer different products and services. For additional details related to the Company's reportable segments, see Note 16 - "Segment Information." Steel Partners Holdings GP Inc. ("SPH GP"), a Delaware corporation, is the general partner of SPLP and is wholly-owned by SPLP. The Company is managed by SP General Services LLC ("Manager"), pursuant to the terms of an amended and restated management agreement (the "Management Agreement") discussed in further detail in Note 15 - "Related Party Transactions."

Basis of Presentation

The accompanying unaudited consolidated financial statements as of June 30, 2025 and for the three and six month periods ended June 30, 2025 and 2024, which have been prepared by the Company in accordance with the Alternative Reporting Standard: OTCQX U.S. and OTCQB Disclosure Guidelines offered by the OTC Markets Group ("OTC") for interim periods, include the accounts of the Company and its consolidated subsidiaries. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation have been reflected herein. The results of operations for the three and six months ended June 30, 2025 are not necessarily indicative of the operating results for the full year. The accompanying unaudited consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements included in its Annual Report for the fiscal year ended December 31, 2024 ("Annual Report"), from which the consolidated balance sheet as of December 31, 2024 has been derived.

The Company's fiscal quarter ends on the last day of the calendar quarter; however, for certain subsidiaries of the Company, the fiscal quarter periods end on the Saturday that is closest to the last day of the calendar quarter, except for the last quarterly period of the fiscal year. The Company and all its subsidiaries close their books for fiscal years on December 31. For ease of presentation, the quarterly financial statements included herein are described as ending on the last day of the calendar quarter.

Certain financial information that is normally included in annual financial statements prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), but is not required for interim reporting purposes, has been condensed or omitted. Management must make estimates and assumptions that affect the consolidated financial statements and the related footnote disclosures. While management uses its best judgment, actual results may differ from those estimates. Certain reclassifications have been made to the prior period financial statements and notes to conform to the current period presentation.

Adoption of New Accounting Standards

In August 2023, the FASB issued ASU 2023-05, *Business Combinations-Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement* ("ASU 2023-05"). ASU 2023-05 applies to the formation of a "joint venture" or a "corporate joint venture" and requires a joint venture to initially measure all contributions received upon its formation at fair value. The new guidance is applicable to joint venture entities with a formation date on or after January 1, 2025, on a prospective basis. The Company adopted ASU 2023-05 on January 1, 2025. The adoption of this ASU had no impact on the Company's consolidated balance sheets or income statements.

Accounting Standards Not Yet Effective

In November 2024, the FASB issued ASU 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40)* ("ASU 2024-03"), which requires a public business entity to disclose specific information about certain costs and expenses in the notes to its financial statements for interim and annual reporting periods. Additionally, in January 2025, the FASB issued ASU 2025-01, *Income Statement-Reporting Comprehensive Income-Expense*

Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date ("ASU 2025-01"), to clarify the effective date of ASU 2024-03. The objective of the disclosure requirements is to provide disaggregated information about a public business entity's expenses to help investors: (a) better understand the entity's performance, (b) better assess the entity's prospects for future cash flows, and (c) compare an entity's performance over time and with that of other entities. Early adoption is permitted. The new guidance may be applied either on a prospective or retrospective basis. The amendments in this update are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. The Company is currently evaluating the impact of this guidance on the Company's consolidated financial statement disclosures; however, adoption is not expected to impact its consolidated balance sheets or income statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"), which is intended to enhance the transparency, decision usefulness and effectiveness of income tax disclosures. The new guidance requires disaggregated information about the effective tax rate reconciliation and additional information on taxes paid that meet a quantitative threshold. The new guidance is effective for public business entities for annual reporting periods beginning after December 15, 2024, with early adoption and retrospective application permitted. The Company is currently evaluating this guidance to determine the impact it may have on its consolidated financial statement disclosures; however, adoption will not impact its consolidated balance sheets or income statements.

2. REVENUES

Disaggregation of Revenues

Revenues are disaggregated at the Company's segment level since the segment categories depict how the nature, amount, timing and uncertainty of revenues and cash flows are affected by economic factors. For additional details related to the Company's reportable segments, see Note 16 - "Segment Information."

The following table presents the Company's revenues disaggregated by geography for the three and six months ended June 30, 2025 and 2024. The Company's revenues are primarily derived domestically. Foreign revenues are based on the country in which the legal subsidiary generating the revenue is domiciled. Revenue from any single foreign country was not material to the Company's consolidated financial statements.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
United States	$ 496,295	$ 476,862	$ 946,641	$ 903,818
Foreign	55,759	56,297	104,635	105,687
Total revenue	$ 552,054	$ 533,159	$ 1,051,276	$ 1,009,505

Contract Balances

Differences in the timing of revenue recognition, billings and cash collections result in billed trade receivables, unbilled receivables (contract assets) and deferred revenues (contract liabilities) on the consolidated balance sheets.

Contract Assets

Unbilled receivables arise when the timing of billings to customers differs from the timing of revenue recognition, such as when the Company recognizes revenue over time before a customer can be billed. Contract assets are classified as Prepaid expenses and other current assets on the consolidated balance sheets. As of June 30, 2025 and December 31, 2024, the contract asset balance was $5,947 and $3,409, respectively.

Contract Liabilities

The Company records deferred revenues when cash payments are received or due in advance of the Company's performance, including amounts that are refundable, which are recorded as contract liabilities. Contract liabilities are classified as Other current liabilities on the consolidated balance sheets, based on the timing of when the Company expects to recognize revenue.

	Contract Liabilities
Balance at December 31, 2024	$ 6,010
Deferral of revenue	9,218
Recognition of unearned revenue	(9,378)
Balance at June 30, 2025	**$ 5,850**
Balance at December 31, 2023	$ 7,388
Deferral of revenue	10,460
Recognition of unearned revenue	(10,831)
Balance at June 30, 2024	**$ 7,017**

3. LOANS RECEIVABLE, INCLUDING LOANS HELD FOR SALE

Major classifications of Loans receivable, including loans held for sale, held by WebBank as of June 30, 2025 and December 31, 2024 are as follows:

	Total				Current		Non-current	
	June 30, 2025	**%**	**December 31, 2024**	**%**	**June 30, 2025**	**December 31, 2024**	**June 30, 2025**	**December 31, 2024**
Loans held for sale	$ 660,347		$ 739,822		$ 660,347	$ 739,822	$ —	$ —
Commercial real estate loans	$ 4,702	— %	$ 4,485	—%	$ —	$ —	$ 4,702	$ 4,485
Commercial and industrial	1,025,660	90 %	969,702	90%	854,625	760,125	171,035	209,577
Consumer loans	117,190	10 %	110,697	10%	96,430	88,350	20,760	22,347
Total loans	1,147,552	100 %	1,084,884	100%	951,055	848,475	196,497	236,409
Less:								
Allowance for credit losses	(22,664)		(26,463)		(19,610)	(21,316)	(3,054)	(5,147)
Total loans receivable, net	$ 1,124,888		$ 1,058,421		931,445	827,159	193,443	231,262
Loans receivable, including loans held for sale [(a)]					$ 1,591,792	$ 1,566,981	$ 193,443	$ 231,262

(a) The amortized cost of loans receivable, including loans held for sale, is considered to be representative of fair value because the rates of interest are not significantly different from market interest rates for instruments with similar maturities. The fair value of loans receivable, including loans held for sale, was $1,780,150 and $1,798,486 as of June 30, 2025 and December 31, 2024, respectively.

Loans with an amortized cost of approximately $219,716 and $225,601 were pledged as collateral for potential borrowings as of June 30, 2025 and December 31, 2024, respectively. WebBank serviced $1,699 and $1,699 in loans for others as of June 30, 2025 and December 31, 2024, respectively.

WebBank sold loans classified as loans held for sale of $21,176,027 and $12,869,549 during the six months ended June 30, 2025 and 2024, respectively. The sold loans were derecognized from the consolidated balance sheets. Loans classified as loans held for sale primarily consist of consumer and small business loans. Amounts added to loans held for sale during the same periods were $21,171,989 and $12,682,932, respectively.

WebBank's allowance for credit losses ("ACL") increased $707, or 3.2%, during the three months ended June 30, 2025 and decreased $3,799, or 14.36% during the six months ended June 30, 2025. For the three months ended June 30, 2025, the increase is primarily driven due to underperformance of collateral on one of WebBank's asset-based lending loans. For the six months ended June 30, 2025, the decrease was due to charge-offs on consumer and industrial loans that were previously reserved for.

Changes in the ACL are summarized as follows:

	Commercial Real Estate Loans	Commercial & Industrial	Consumer Loans	Total
December 31, 2024	$ 252	$ 17,805	$ 8,406	$ 26,463
Charge-offs	—	(7,662)	(1,087)	(8,749)
Recoveries	—	327	86	413
Provision	12	2,515	1,303	3,830
March 31, 2025	$ 264	$ 12,985	$ 8,708	$ 21,957
Charge-offs	—	(1,949)	(1,022)	(2,971)
Recoveries	—	554	286	840
Provision (benefit)	19	5,228	(2,409)	2,838
June 30, 2025	$ 283	$ 16,818	$ 5,563	$ 22,664

	Commercial Real Estate Loans	Commercial & Industrial	Consumer Loans	Total
December 31, 2023	$ 75	$ 14,744	$ 10,667	$ 25,486
Charge-offs	—	(2,644)	(2,100)	(4,744)
Recoveries	—	399	164	563
Provision (benefit)	63	946	(194)	815
March 31, 2024	$ 138	$ 13,445	$ 8,537	$ 22,120
Charge-offs	—	(2,051)	(1,285)	(3,336)
Recoveries	—	391	66	457
Provision	18	716	846	1,580
June 30, 2024	$ 156	$ 12,501	$ 8,164	$ 20,821

The ACL and outstanding loan balances are summarized as follows:

June 30, 2025	Commercial Real Estate Loans	Commercial & Industrial	Consumer Loans	Total
Allowance for credit losses:				
Individually evaluated for impairment	$ —	$ 3,726	$ —	$ 3,726
Collectively evaluated for impairment	283	13,092	5,563	18,938
Total	$ 283	$ 16,818	$ 5,563	$ 22,664
Outstanding loan balances:				
Individually evaluated for impairment	$ —	$ 18,902	$ —	$ 18,902
Collectively evaluated for impairment	4,702	1,006,758	117,190	1,128,650
Total	$ 4,702	$ 1,025,660	$ 117,190	$ 1,147,552

December 31, 2024	Commercial Real Estate Loans	Commercial & Industrial	Consumer Loans	Total
Allowance for loan losses:				
Individually evaluated for impairment	$ —	$ 6,360	$ —	$ 6,360
Collectively evaluated for impairment	252	11,445	8,406	20,103
Total	$ 252	$ 17,805	$ 8,406	$ 26,463
Outstanding loan balances:				
Individually evaluated for impairment	$ —	$ 27,798	$ —	$ 27,798
Collectively evaluated for impairment	4,485	941,904	110,697	1,057,086
Total	$ 4,485	$ 969,702	$ 110,697	$ 1,084,884

Nonaccrual and Past Due Loans

Commercial and industrial loans past due 90 days or more and still accruing interest were $3,900 and $8,140 at June 30, 2025 and December 31, 2024, respectively. Consumer loans past due 90 days or more and still accruing interest were $1,280 and $1,100 at June 30, 2025 and December 31, 2024, respectively. The Company had $18,036 and $26,342 nonaccrual loans at June 30, 2025 and December 31, 2024, respectively.

Past due loans (accruing and nonaccruing) are summarized as follows:

June 30, 2025	Current	30-89 Days Past Due	90+ Days Past Due	Total Past Due	Total Loans	Recorded Investment In Accruing Loans 90+ Days Past Due	Nonaccrual Loans That Are Current [(a)]
Commercial real estate loans	$ 4,702	$ —	$ —	$ —	$ 4,702	$ —	$ —
Commercial and industrial	1,011,430	10,330	3,900	14,230	1,025,660	3,900	18,036
Consumer loans	114,070	1,840	1,280	3,120	117,190	1,280	—
Total loans	$ 1,130,202	$ 12,170	$ 5,180	$ 17,350	$ 1,147,552	$ 5,180	$ 18,036

December 31, 2024	Current	30-89 Days Past Due	90+ Days Past Due	Total Past Due	Total Loans	Recorded Investment In Accruing Loans 90+ Days Past Due	Nonaccrual Loans That Are Current [(a)]
Commercial real estate loans	$ 4,485	$ —	$ —	$ —	$ 4,485	$ —	$ —
Commercial and industrial	949,692	11,870	8,140	20,010	969,702	8,140	26,342
Consumer loans	107,327	2,270	1,100	3,370	110,697	1,100	—
Total loans	$ 1,061,504	$ 14,140	$ 9,240	$ 23,380	$ 1,084,884	$ 9,240	$ 26,342

(a) Represents nonaccrual loans that are not past due more than 30 days; however, full payment of principal and interest is still not expected.

Credit Quality Indicators

In addition to the past due and nonaccrual criteria, loans are analyzed using a loan grading system. Generally, internal grades are assigned to commercial loans based on the performance of the loans, financial/statistical models and loan officer judgment. For consumer loans and some commercial and industrial loans, the primary credit quality indicator is payment status. Reviews and grading of loans with unpaid principal balances of $100 or more are performed once per year. Grades follow definitions of Pass, Special Mention, Substandard and Doubtful, which are consistent with published definitions of regulatory risk classifications. The definitions of Pass, Special Mention, Substandard and Doubtful are summarized as follows:

- *Pass*: An asset in this category is a higher quality asset and does not fit any of the other categories described below. The likelihood of loss is considered remote.
- *Special Mention*: An asset in this category has a specific weakness or problem but does not currently present a significant risk of loss or default as to any material term of the loan or financing agreement.
- *Substandard*: An asset in this category has a developing or minor weakness or weaknesses that could result in loss or default if deficiencies are not corrected or adverse conditions arise.
- *Doubtful*: An asset in this category has an existing weakness or weaknesses that have developed into a serious risk of significant loss or default with regard to a material term of the financing agreement.

Outstanding loan balances (accruing and nonaccruing) categorized by these credit quality indicators are summarized as follows:

June 30, 2025	Non - Graded	Pass	Special Mention	Sub-standard	Doubtful	Total Loans
Commercial real estate loans	$ —	$ 4,702	$ —	$ —	$ —	$ 4,702
Commercial and industrial	817,934	188,824	—	18,902	—	1,025,660
Consumer loans	117,190	—	—	—	—	117,190
Total loans	$ 935,124	$ 193,526	$ —	$ 18,902	$ —	$ 1,147,552

December 31, 2024	Non - Graded	Pass	Special Mention	Sub-standard	Doubtful	Total Loans
Commercial real estate loans	$ —	$ 4,485	$ —	$ —	$ —	$ 4,485
Commercial and industrial	731,622	210,282	—	27,798	—	969,702
Consumer loans	110,697	—	—	—	—	110,697
Total loans	$ 842,319	$ 214,767	$ —	$ 27,798	$ —	$ 1,084,884

The following table represents the amortized cost basis loan balances by year of origination and credit quality indicator:

	As of June 30, 2025 Amortized Cost Basis by Origination Year						Revolving loans amortized cost basis	Total
	2025	2024	2023	2022	2021	Prior		
Commercial Real Estate Loans								
Risk Rating:								
Pass	$ 72	$ 2,509	$ 1,098	$ 575	$ 96	$ 352	$ —	$ 4,702
Total Commercial Real Estate Loans	$ 72	$ 2,509	$ 1,098	$ 575	$ 96	$ 352	$ —	$ 4,702
Commercial & Industrial								
Risk Rating:								
Pass	$ 31,332	$ 12,401	$ 34,880	$ 60,623	$ 49,588	$ —	$ —	$ 188,824
Non - graded	534,273	113,598	985	174	706	961	167,236	817,933
Sub-standard	141	677	48	18,036	—	—	—	18,902
Total Commercial & Industrial	$ 565,746	$ 126,676	$ 35,913	$ 78,833	$ 50,294	$ 961	$ 167,236	$1,025,659
Current period gross charge-offs	$ 13	$ 1,471	$ 612	$ 4,662	$ 9	$ 2,751	$ 93	$ 9,611
Consumer Loans								
Risk Rating:								
Non - graded	$ 26,762	$ 23,917	$ 22,594	$ 7,219	$ 547	$ 90	$ 36,062	$ 117,191
Total Consumer Loans	$ 26,762	$ 23,917	$ 22,594	$ 7,219	$ 547	$ 90	$ 36,062	$ 117,191
Current period gross charge-offs	$ 30	$ 686	$ 935	$ 428	$ 25	$ 4	$ —	$ 2,108

	As of December 31, 2024 Amortized Cost Basis by Origination Year						Revolving loans amortized cost basis	Total
	2024	2023	2022	2021	2020	Prior		
Commercial Real Estate Loans								
Risk Rating:								
Pass	$ 1,602	$ 1,102	$ 579	$ 97	$ 59	$ 1,046	$ —	$ 4,485
Total Commercial Real Estate Loans	$ 1,602	$ 1,102	$ 579	$ 97	$ 59	$ 1,046	$ —	$ 4,485
Commercial & Industrial								
Risk Rating:								
Pass	$ 12,386	$ 78,722	$ 68,967	$ 49,974	$ 233	$ —	$ —	$ 210,282
Non - graded	562,512	9,193	571	1,712	3,131	5	154,498	731,622
Sub-standard	1,360	96	23,906	—	—	2,436	—	27,798
Total Commercial & Industrial	$ 576,258	$ 88,011	$ 93,444	$ 51,686	$ 3,364	$ 2,441	$ 154,498	$ 969,702
Current period gross charge-offs	$ 3,088	$ 5,196	$ 1,830	$ 112	$ 296	$ 54	$ —	$ 10,576
Consumer Loans								
Risk Rating:								
Non - graded	$ 43,952	$ 34,964	$ 11,688	$ 872	$ 69	$ 96	$ 19,056	$ 110,697
Total Consumer Loans	$ 43,952	$ 34,964	$ 11,688	$ 872	$ 69	$ 96	$ 19,056	$ 110,697
Current period gross charge-offs	$ 303	$ 3,727	$ 1,615	$ 126	$ 33	$ 105	$ —	$ 5,909

Impaired Loans

Loans are considered impaired when, based on current information and events, it is probable that WebBank will be unable to collect all amounts due in accordance with the contractual terms of the loan agreement, including scheduled interest payments. When loans are impaired, WebBank estimates the amount of the balance that is impaired and allocates additional reserves to the loan based on the estimated present value of the loan’s future cash flows discounted at the loan’s effective interest rate, the observable market price of the loan, or the fair value of the loan’s underlying collateral less the cost to sell. When the impairment is based on the fair value of the loan's underlying collateral, the portion of the balance that is impaired is generally charged off.

4. INVENTORIES, NET

A summary of Inventories, net is as follows:

	June 30, 2025	December 31, 2024
Finished products	$ 54,853	$ 63,667
In-process	38,696	32,744
Raw materials	56,062	60,149
Fine and fabricated precious metal in various stages of completion	54,209	38,745
	203,820	195,305
LIFO reserve	(732)	312
Total	$ 203,088	$ 195,617

Fine and Fabricated Precious Metal Inventory

In order to produce certain of its products, the Company purchases, maintains and utilizes precious metal inventory. The Company records certain precious metal inventory at the lower of last-in-first-out ("LIFO") cost or market value, with any adjustments recorded through Cost of goods sold. Remaining precious metal inventory is accounted for primarily at fair value.

The Company obtains certain precious metals under a fee consignment agreement. As of June 30, 2025 and December 31, 2024, the Company had approximately $45,308 and $36,117, respectively, of precious metals, principally silver, under consignment, which are recorded at fair value in Inventories, net with a corresponding liability for the same amount recorded in Accounts payable on the Company's consolidated balance sheets. Fees charged under the consignment agreement are recorded in Interest expense in the Company's consolidated statements of operations.

	June 30, 2025	December 31, 2024
Supplemental inventory information:		
Precious metals stated at LIFO cost	$ 6,136	$ 1,472
Precious metals stated under non-LIFO cost methods, primarily at fair value	$ 47,341	$ 37,585
Market price per ounce:		
Silver	$ 36.04	$ 28.92
Gold	$ 3,369.86	$ 2,633.92
Platinum	$ 1,270.57	$ 907.78
Palladium	$ 1,051.72	$ 915.20

5. GOODWILL AND OTHER INTANGIBLE ASSETS, NET

A summary of the change in the carrying amount of goodwill by reportable segment is as follows:

	Diversified Industrial	Energy	Financial Services	Supply Chain	Corporate and Other	Total
Balance as of December 31, 2024						
Gross goodwill	$ 155,337	$ 67,143	$ 9,474	$ 19,703	$ 81	$ 251,738
Accumulated impairments	(41,278)	(64,790)	—	—	—	(106,068)
Net goodwill	114,059	2,353	9,474	19,703	81	145,670
Currency translation adjustments	382	—	—	—	—	382
Balance as of June 30, 2025						
Gross goodwill	155,719	67,143	9,474	19,703	81	252,120
Accumulated impairments	(41,278)	(64,790)	—	—	—	(106,068)
Net goodwill	$ 114,441	$ 2,353	$ 9,474	$ 19,703	$ 81	$ 146,052

As of June 30, 2025 and December 31, 2024, the Electrical Products reporting unit, which is included within the Diversified Industrial segment, had goodwill of $46,965 and $46,611, respectively. As of December 1, 2024 the Electrical Products reporting unit's fair value exceeded its net book value by 13%. As of June 30, 2025, the Company did not identify indicators of impairment for the Electrical Products reporting unit. The fair value of the Electrical Products reporting unit can be significantly impacted by the reporting unit's performance, the amount and timing of expected future cash flows, decreased customer demand for Electrical Products' services, management's ability to execute its business strategies, and general market conditions, such as economic downturns, and changes in interest rates, including discount rates. Future cash flow estimates are, by their nature, subjective, and actual results may differ materially from the Company's estimates. Based on our assessment of these circumstances, we have determined that goodwill at our Electrical Products reporting unit is at risk for future impairment if the Company's ongoing cash flow projections are not met or if market factors utilized in the impairment test deteriorate, including an unfavorable change in the terminal growth rate or the weighted-average cost of capital, the Company may have to record impairment charges in future periods.

A summary of Other intangible assets, net is as follows:

	June 30, 2025			December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Customer relationships	$ 217,576	$ 164,909	$ 52,667	$ 216,675	$ 157,854	$ 58,821
Trademarks, trade names and brand names	57,197	25,966	31,231	57,116	25,121	31,995
Developed technology, patents and patent applications	33,495	27,798	5,697	33,312	26,848	6,464
Other	16,644	16,644	—	16,610	16,610	—
Total	$ 324,912	$ 235,317	$ 89,595	$ 323,713	$ 226,433	$ 97,280

Trademarks with indefinite lives as of June 30, 2025 and December 31, 2024 were $22,247 and $22,165, respectively. Amortization expense related to intangible assets was $4,007 and $4,269 for the three months ended June 30, 2025 and 2024, respectively, and $8,001 and $8,572 for the six months ended June 30, 2024 and 2024, respectively..

Based on gross carrying amounts at June 30, 2025, the Company's estimate of amortization expense for identifiable intangible assets for the years ending December 31, 2025 through 2029 is presented in the table below.

	Year Ending December 31,				
	2025	2026	2027	2028	2029
Estimated amortization expense	$ 15,704	$ 13,694	$ 13,014	$ 12,767	$ 10,518

6. INVESTMENTS

The following table summarizes the Company's long-term investments as of June 30, 2025 and December 31, 2024.

	Ownership %		Long-Term Investments Balance	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
PCS-Mosaic [(a)]	58.3 %	58.3 %	11,671	11,671
Other long-term investments [(b)]			174,283	73,022
Total			$ 185,954	$ 84,693

a) Represents the Company's investment in PCS-Mosaic, which is accounted for under the equity method of accounting.
b) The balance consists of multiple common stock investments of public and non-public companies, investment in associated companies, and available for sale securities.

The Loss of associated companies, net of taxes, for the three and six months ended June 30, 2025 and 2024, respectively, are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
PCS-Mosaic	—	—	—	7
Loss of associated companies, net of taxes	$ —	$ —	$ —	$ 7

The amounts of unrealized (gains) losses for the three and six months ended June 30, 2025 and 2024 that relate to equity securities still held as of June 30, 2025 and 2024, respectively, are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net gains recognized during the period on equity securities	$ (27,096)	$ (986)	$ (17,141)	$ (5,054)
Less: Net (gains) losses recognized during the period on equity securities sold during the period	—	(93)	283	(4,222)
Unrealized gains recognized during the period on equity securities still held at the end of the period	$ (27,096)	$ (893)	$ (17,424)	$ (832)

Equity Method Investments

As of June 30, 2025, the Company's investments in associated companies includes PCS-Mosaic and Trinity Place Holdings Inc. ("Trinity" or "TPHS"), which are accounted for under the equity method of accounting. PCS-Mosaic is a private investment fund primarily invested in specialized software development and training services. PCS-Mosaic is carried at cost, plus or minus the Company's share of net earnings or losses of the investment. Associated companies are included in the Corporate and Other segment. Trinity is a real estate holding, investment, development and asset management company.

On February 5, 2025 (the "SPA Effective Date"), Steel IP Investments, LLC (the "Purchaser"), a wholly-owned subsidiary of SPLP, entered into a Stock Purchase Agreement (the "Stock Purchase Agreement") with Trinity and TPHS Lender LLC (the "Seller"), pursuant to which the Purchaser purchased from the Seller, and the Seller sold to the Purchaser, 25,862,245 shares of common stock (the "TPHS Common Stock"), par value $0.01 per share of TPHS (such shares are referred to collectively herein as the "TPHS Shares"), representing approximately 40% of the outstanding common stock of TPHS, in accordance with the terms and conditions of the Stock Purchase Agreement. The aggregate consideration paid to the Seller was $2,586 for the TPHS Shares and certain agreements pursuant to the Stock Purchase Agreement.

Other Investments

WebBank has held-to-maturity ("HTM") debt securities which are carried at amortized cost and included in Other non-current assets on the Company's consolidated balance sheets. The amount and contractual maturities of HTM debt securities are noted in the tables below. Actual maturities may differ from expected or contractual maturities because borrowers may have the right to call or prepay obligations with or without penalties. The securities are collateralized by unsecured consumer loans.

	June 30, 2025			
	Amortized Cost	Gross Unrealized Gains	Estimated Fair Value	Carrying Value
Collateralized securities	$ 168,238	$ 2,379	$ 170,617	$ 168,238
Contractual maturities within:				
Less than five years				162,540
Five years to ten years				—
After ten years				5,698
Total				$ 168,238

	December 31, 2024			
	Amortized Cost	Gross Unrealized Gains	Estimated Fair Value	Carrying Value
Collateralized securities	$ 127,647	$ 2,005	$ 129,652	$ 127,647
Contractual maturities within:				
Less than five years				121,427
Five years to ten years				314
After ten years				5,906
Total				$ 127,647

WebBank regularly evaluates each HTM debt security whose value has declined below amortized cost to assess whether the decline in fair value is other-than-temporary. If there is an other-than-temporary impairment in the fair value of any individual security classified as HTM, WebBank writes down the security to fair value with a corresponding credit loss portion charged to earnings, and the corresponding non-credit portion charged to accumulated other comprehensive income. The ACL for HTM debt securities of $1,783 and $1,306 at June 30, 2025 and December 31, 2024, respectively, is included in the net amortized cost balance of the securities. For the three and six months ended June 30, 2025, WebBank recorded a provision for credit losses on HTM debt securities of $651 and $670, respectively.

7. DEBT

The current portion of long-term debt is included in Other current liabilities on the Company's consolidated balance sheets. The components of debt and a reconciliation to the carrying amount of long-term debt is presented in the table below:

	June 30, 2025	December 31, 2024
Long-term debt:		
Credit Agreement	$ 65,200	$ 118,800
Other debt - domestic	821	855
Subtotal	66,021	119,655
Less: portion due within one year	67	67
Long-term debt	65,954	119,588
Total debt	$ 66,021	$ 119,655

Long-term debt as of June 30, 2025 matures in each of the next five years as follows:

	Total	2025	2026	2027	2028	2029	Thereafter
Long-term debt	$ 66,021	$ 34	$ 65,267	$ 720	$ —	$ —	$ —

As of June 30, 2025, the Company's senior credit agreement, as amended and restated ("Credit Agreement") covers substantially all of the Company's subsidiaries, with the exception of WebBank and Steel Connect, and provides for a senior secured revolving credit facility in an aggregate principal amount not to exceed $600,000 (the "Revolving Credit Loans"), which includes a $50,000 subfacility for swing line loans, a $50,000 subfacility for standby letters of credit and a foreign currency sublimit (available in euros and pounds sterling) equal to the lesser of $75,000 and the total amount of the Revolving Credit Commitment. The Credit Agreement permits, under certain circumstances, to increase the aggregate principal amount of revolving credit commitments under the Credit Agreement by $300,000 plus additional amounts so long as the Leverage Ratio (as defined in the Credit Agreement) would not exceed 3.50:1. Borrowings bear interest, at annual rates of either Base Rate, SOFR Rate or Term RFR (each as defined in the Credit Agreement), at the borrowers' option, plus an applicable margin, as set forth in the Credit Agreement. As of June 30, 2025, the Credit Agreement also provides for a commitment fee of 0.150% to be paid on unused borrowings.

The Credit Agreement contains financial covenants, including: (i) a Leverage Ratio not to exceed 4.25 to 1.00 for quarterly periods as of the end of each fiscal quarter; provided, however, that notwithstanding the foregoing, following a Material Acquisition (as defined in the Credit Agreement), Borrowers shall not permit the Leverage Ratio, calculated as of the end of each of the four (4) fiscal quarters immediately following such Material Acquisition (which, for the avoidance of doubt, shall commence with the fiscal quarter in which such Material Acquisition is consummated), to exceed 4.50 to 1.00 and (ii) an Interest Coverage Ratio, calculated as of the end of each fiscal quarter, not less than 3.00 to 1.00. The Credit Agreement also contains standard representations, warranties and covenants for a transaction of this nature, including, among other things, covenants relating to: (i) financial reporting and notification; (ii) payment of obligations; (iii) compliance with law; (iv) maintenance of insurance; and (v) maintenance of properties. As of June 30, 2025, the Company was in compliance with all financial and nonfinancial covenants under the Credit Agreement. The Company believes it will remain in compliance with the Credit Agreements covenants for the next twelve months. The Credit Agreement will expire on December 29, 2026.

The weighted average interest rate on the Credit Agreement was 5.63% at June 30, 2025. As of June 30, 2025, letters of credit totaling $11,015 had been issued under the Credit Agreement. The primary use of the Company's letters of credit are to support the performance and financial obligations related to certain environmental matters, insurance programs and real estate leases. The Credit Agreement permits the Company to borrow for the dividends on its preferred units, pension contributions, investments, acquisitions and other general corporate expenses. Based on financial results as of June 30, 2025, the Company's total availability under the Credit Agreement, which is based upon Consolidated Adjusted EBITDA (as defined in the Credit Agreement) and certain covenants as described in the Credit Agreement, was approximately $523,800 as of June 30, 2025.

Steel Connect Revolving Credit Facility

Steel Connect's wholly-owned subsidiary, ModusLink Corporation ("ModusLink"), has a revolving credit agreement (the "Umpqua Revolver") with Umpqua Bank which provides for a maximum credit commitment of $12,500 and a sub-limit of $5,000 for letters of credit and expires on March 31, 2026. As of June 30, 2025, ModusLink was in compliance with the Umpqua Revolver's covenants and believes it will remain in compliance with the Umpqua Revolver’s covenants for the next twelve months. As of June 30, 2025, ModusLink had available borrowing capacity of $11,890 and there was $610 outstanding for letters of credit.

On May 1, 2024, ModusLink entered into a Second Amendment to Credit Agreement (the "Second Amendment"), amending the Umpqua Revolver. Among other things, the Second Amendment extended the maturity date with respect to revolving loans from March 31, 2025 to March 31, 2026, removed certain adjustments in the definition of "Adjusted EBITDA" as set forth in the Umpqua Revolver, increased the minimum Adjusted Tangible Net Worth and removed certain caps and conditions on ModusLink's ability to pay dividends.

8. FINANCIAL INSTRUMENTS

WebBank - Economic Interests in Loans

WebBank's derivative financial instruments represent on-going economic interests in loans made after they are sold. These derivatives are carried at fair value on a gross basis in Other non-current assets on the Company's consolidated balance sheets and are classified within Level 3 in the fair value hierarchy (see Note 13 - "Fair Value Measurements"). As of June 30, 2025, outstanding derivatives mature within three to five years. Gains and losses resulting from changes in the fair value of derivative instruments are accounted for in the Company's consolidated statements of operations in Financial Services revenue. Fair value represents the estimated amounts that WebBank would receive or pay to terminate the contracts at the reporting date based on a discounted cash flow model for the same or similar instruments. WebBank does not enter into derivative contracts for speculative or trading purposes.

Precious Metal and Commodity Inventories

As of June 30, 2025, the Company had the following outstanding forward contracts with settlement dates through July 31, 2025. There were no futures contracts outstanding as of June 30, 2025.

Commodity	Amount (in whole units)	Notional Value
Silver	50,285 ounces	$ 1,842
Gold	(685) ounces	$ (2,323)
Palladium	620 ounces	$ 672
Platinum	112 ounces	$ 144
Copper	248,000 pounds	$ 1,190
Tin	41 metric tons	$ 1,325

Fair Value Hedges. Certain forward contracts are accounted for as fair value hedges under ASC 815 for the Company's precious metal inventory carried at fair value. These contracts hedge 4,128 ounces (in whole units) of silver and a majority of the Company's pounds of copper. The fair values of these derivatives are recognized as derivative assets and liabilities on the Company's consolidated balance sheets. The net changes in fair value of the derivative assets and liabilities, and the changes in the fair value of the underlying hedged inventory, are recognized in the Company's consolidated statements of operations, and such amounts principally offset each other due to the effectiveness of the hedges.

Economic Hedges. The remaining outstanding forward contracts for silver, and all the contracts for gold, palladium, platinum and tin, are accounted for as economic hedges. As these derivatives are not designated as accounting hedges under ASC 815, they are accounted for as derivatives with no hedge designation. The derivatives are marked to market with gains and losses recorded in earnings in the Company's consolidated statements of operations. The economic hedges are associated primarily with the Company's precious metal inventory valued using the LIFO method.

The forward contracts were made with a counterparty rated Aa2 by Moody's. Accordingly, management evaluated counterparty risk and believes that there is minimal credit risk of default. The Company estimates the fair value of its derivative contracts based on the counterparty's statement. The Company maintains collateral on account with the third-party broker which varies in amount depending on the value of open contracts and the current market price.

The fair value and carrying amount of derivative instruments on the Company's consolidated balance sheets are as follows:

	Fair Value of Derivative Assets (Liabilities)			
	June 30, 2025		December 31, 2024	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as ASC 815 hedges				
Commodity contracts	Other liabilities	$ (8)	Prepaid expenses and other current assets	$ 82
Derivatives not designated as ASC 815 hedges				
Commodity contracts	Prepaid expenses and other current assets	$ 4	Prepaid expenses and other current assets	$ 28
Economic interests in loans	Other non-current assets	$ 6,190	Other non-current assets	$ 5,410

The effects of fair value hedge accounting on the consolidated statements of operations for the three and six months ended June 30, 2025 were gains of $18 and losses of $271, respectively. The effects of fair value hedge accounting for the three and six months ended June 30, 2024 were losses of $332 and $389, respectively. The effects of derivatives not designated as ASC 815 hedging instruments on the consolidated statements of operations for the three and six months ended June 30, 2025 and 2024 are as follows:

		Amount of Gain (Loss) Recognized in Income			
		Three Months Ended June 30,		Six Months Ended June 30,	
Derivatives Not Designated as Hedging Instruments:	Location of Gain (Loss) Recognized in Income	2025	2024	2025	2024
Commodity contracts	Other expense	$ (411)	$ (506)	$ (617)	$ (589)
Economic interests in loans	Financial Services revenue	1,852	1,298	3,563	2,581
Total		$ 1,441	$ 792	$ 2,946	$ 1,992

Financial Instruments with Off-Balance Sheet Risk

WebBank is a party to financial instruments with off-balance sheet risk. In the normal course of business, these financial instruments include commitments to extend credit in the form of loans as part of WebBank's lending arrangements. Those instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amounts recognized on the Company's consolidated balance sheets. The contractual amounts of those instruments reflect the extent of involvement WebBank has in particular classes of financial instruments.

As of June 30, 2025 and December 31, 2024, WebBank's undisbursed loan commitments totaled $503,561 and $430,960, respectively. Commitments to extend credit are agreements to lend to a borrower who meets the lending criteria through one of WebBank's lending agreements, provided there is no violation of any condition established in the contract with the counterparty to the lending arrangement.

Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since certain of the commitments are expected to expire without the credit being extended, the total commitment amounts do not necessarily represent future cash requirements. WebBank evaluates each prospective borrower's credit worthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by WebBank upon extension of credit, is based on management's credit evaluation of the borrower and WebBank's counterparty.

WebBank's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit is represented by the contractual amount of those instruments. WebBank uses the same credit policy in making commitments and conditional obligations as it does for on balance sheet instruments.

9. PENSION AND OTHER POST-RETIREMENT BENEFITS

The Company maintains several qualified and non-qualified pension plans and other post-retirement benefit plans. The following table presents the components of pension expense for the Company's significant pension plans. The Company's other pension and post-retirement benefit plans are not significant individually or in the aggregate.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Interest cost	$ 3,987	$ 4,199	$ 7,974	$ 8,398
Expected return on plan assets	(5,056)	(5,010)	(10,112)	(10,020)
Amortization of actuarial loss	1,751	2,185	3,502	4,370
Total net pension expense	$ 682	$ 1,374	$ 1,364	$ 2,748

Net pension expense is included in Selling, general and administrative expenses in the consolidated statements of operations. During the six months ended June 30, 2025, the Company contributed $2,010 to its pension plans. Required future pension contributions are estimated based upon assumptions such as discount rates on future obligations, assumed rates of return on plan assets and legislative changes. Actual future pension costs and required funding obligations will be affected by changes in the factors and assumptions described in the previous sentence, including the impact of declines in pension plan assets and interest rates, as well as other changes such as any plan termination or other acceleration events. The Company currently estimates it will contribute $3,002 to its pension plans during the remainder of 2025.

10. CAPITAL AND ACCUMULATED OTHER COMPREHENSIVE LOSS

As of June 30, 2025, the Company had 19,102,399 Class A units (regular common units) outstanding.

Common Unit Repurchase Program

The Board of Directors of SPH GP, the general partner of SPLP, (the "Board of SPH GP") has approved the repurchase of up to an aggregate of 9,520,240 of the Company's common units (the "Repurchase Program"). Any purchases made under the Repurchase Program will be made from time to time on the open market or in negotiated transactions off the market, in compliance with applicable laws and regulations. The timing, manner, price and amount of any repurchase will depend on economic and market conditions, share price, trading volume, applicable legal requirements and other factors. In connection with the Repurchase Program, the Company may enter into a stock purchase plan. The Repurchase Program has no termination date. The Company repurchased 47,782 and 50,914 common units for an aggregate purchase price of $1,876 and $2,003 during the three and six months ended June 30, 2025, respectively. From the inception of the Repurchase Program, the Company has purchased 8,952,365 common units for an aggregate price of approximately $212,421. As of June 30, 2025, there remained 567,875 common units that may yet be purchased under the Repurchase Program. From July 1, 2025 through August 1, 2025, the Company repurchased 893 common units for $37.

Incentive Award Plan

The Company's 2018 Incentive Award Plan (the "2018 Plan") provides equity-based compensation through the grant of options to purchase the Company's limited partnership units, unit appreciation rights, restricted units, phantom units, substitute awards, performance awards, other unit-based awards, and, as appropriate, any tandem distribution equivalent rights granted with respect to an award (collectively, "LP Units"). On May 18, 2020, the Company's unitholders approved the Amended and Restated 2018 Incentive Award Plan, which increased the number of LP Units issuable under the 2018 Plan by 500,000 to a total of 1,000,000 LP Units. On June 9, 2021, the Company's unitholders approved the Second Amended and Restated 2018 Incentive Award Plan ("Second A&R 2018 Plan"), which increased the number of LP Units issuable under the 2018 Plan by 1,000,000 to a total of 2,000,000 LP Units. The Company did not grant any restricted LP Units under the Second A&R 2018 Plan during the six months ended June 30, 2025.

Preferred Units

The Company's 6.0% Series A preferred units, no par value (the "SPLP Preferred Units") entitle the holders to a cumulative quarterly cash or in-kind (or a combination thereof) distribution. The Company declared cash distributions of approximately $2,174 and $2,380 to preferred unitholders for the three months ended June 30, 2025, and 2024, respectively, and approximately $4,408 and $4,760 for the six months ended June 30, 2025, and 2024, respectively. The SPLP Preferred Units have a term of nine years, ending February 2026, and are redeemable at any time at the Company's option at a $25 liquidation value per unit, plus any accrued and unpaid distributions (payable in cash or SPLP common units, or a combination of both, at the Company's discretion). If redeemed in common units, the number of common units to be issued will be equal to the liquidation value per unit divided by the volume weighted-average price of the common units for 60 days prior to the redemption. The Board of SPH GP has approved the repurchase of up to an aggregate of 1,400,000 of the SPLP Preferred Units, which is inclusive of 1,000,000 SPLP Preferred Units approved in February 2025. For the three months ended June 30, 2025, the Company repurchased 49,199 SPLP Preferred Units for $1,182. For the six months ended June 30, 2025, the Company repurchased 558,011 SPLP Preferred Units for $13,668.

The SPLP Preferred Units have no voting rights, except that holders have certain voting rights in limited circumstances relating to the election of directors following the failure to pay six quarterly distributions. The SPLP Preferred Units are recorded as current liabilities and non-current liabilities, including accrued interest expense, on the Company's consolidated balance sheets as of June 30, 2025 and December 31, 2024, respectively, because they have an unconditional obligation to be redeemed for cash or by issuing a variable number of SPLP common units for a monetary value that is fixed and known at inception. Because the SPLP Preferred Units are classified as liabilities, distributions thereon are recorded as a component of Interest expense in the Company's consolidated statements of operations. As of June 30, 2025 and December 31, 2024, there were 5,783,236 and 6,341,247 SPLP Preferred Units outstanding, respectively. From July 1, 2025 through August 1, 2025, the Company repurchased 930,445 preferred units for $22,984. On July 29, 2025 the board of directors of the general partner of the Company approved the repurchase of an additional 2,000,000 of the Company's 6.0% Series A preferred units.

On August 5, 2025, the Board of SPH GP declared a regular quarterly cash distribution of $0.375 per unit, payable September 15, 2025, to unitholders of record as of September 1, 2025, on its SPLP Preferred Units.

Accumulated Other Comprehensive Loss

Changes, net of tax, where applicable, in AOCI are as follows:

	Unrealized loss on available-for-sale debt securities	Cumulative translation adjustments	Change in net pension and other benefit obligations	Total
Balance at December 31, 2024	$ (92)	$ (18,643)	$ (83,646)	$ (102,381)
Net other comprehensive income attributable to common unitholders	—	1,614	—	1,614
Balance at March 31, 2025	(92)	(17,029)	(83,646)	(100,767)
Net other comprehensive income attributable to common unitholders	—	3,900	—	3,900
Balance at June 30, 2025	$ (92)	$ (13,129)	$ (83,646)	$ (96,867)

	Unrealized loss on available-for-sale securities	Cumulative translation adjustments	Change in net pension and other benefit obligations	Total
Balance at December 31, 2023	$ (92)	$ (14,993)	$ (106,138)	$ (121,223)
Net comprehensive income attributable to common unitholders	—	(1,110)	—	(1,110)
Balance at March 31, 2024	(92)	(16,103)	(106,138)	(122,333)
Net other comprehensive loss attributable to common unitholders	—	(604)	—	(604)
Balance at June 30, 2024	$ (92)	$ (16,707)	$ (106,138)	$ (122,937)

Incentive Unit Awards

In 2012, SPLP issued to the Manager partnership profits interests in the form of Incentive Units which entitle the holder generally to share in 15% of the increase in the equity value of the Company, based on the volume weighted average price of the Company’s common units for the 20 trading days prior to the year-end measurement date. In 2015, the Manager assigned its rights to Incentive Units to a related party, SPH SPV-I LLC ("SPH SPV-I") pursuant to an Incentive Unit Agreement. Vesting in Incentive Units is measured annually on the last day of the Company’s fiscal year and is based upon exceeding a baseline equity value per common unit which is currently $42.97 and was determined when the most recent award vested on December 31, 2024. The number of outstanding Incentive Units is equal to 100% of the common units outstanding, including common units held by non-wholly-owned subsidiaries. The measurement date equity value per common unit is determined by calculating the volume weighted average price of the Company’s common units for 20 trading days prior to a measurement date. If an Incentive Unit award vests as of an annual measurement date they will be issued as Class C units.

Upon vesting in Incentive Units, the baseline equity value will be recalculated as the new baseline equity value to be assessed at the next annual measurement date. If the baseline equity value is not exceeded as of an annual measurement date, then no portion of annual Incentive Units will be classified as Class C common units for that year and the baseline equity value per common unit will be the same amount as determined upon the prior vesting. The Class C units have the same rights as the LP Units, including, without limitation, with respect to partnership distributions and allocations of income, gain, loss and deduction, in all respects, except that liquidating distributions made by the Company to such holder may not exceed the amount of its capital account allocable to such Class C units and such Class C units may not be sold in the public market, until they have converted into LP Units. At such time that the amount of the capital account allocable to a Class C unit is equal to the amount of the capital account allocable to an LP Unit, such Class C unit shall convert automatically into an LP Unit.

If June 30, 2025 was the annual measurement date, no Incentive Units would vest or be issued as Class C common units based upon the volume weighted-average price of the Company's common units for 20 trading days prior to June 30, 2025. Pursuant to the terms to the Incentive Unit Agreement, vesting of the Incentive Units only occurs based on the value of the Company’s common units at the annual measurement date on December 31, and therefore, more, fewer or no Incentive Units may vest for 2025.

11. INCOME TAXES

The Company's income tax provision represents the income tax expense of its consolidated subsidiaries that are taxable entities. The income tax provision fluctuates based on, among other factors, where income is earned and the level of income relative to tax attributes. The Company recorded an income tax provision of $27,643 and an income tax benefit of $58,991 for the three months ended June 30, 2025 and 2024, respectively, and an income tax provision of $38,385 and an income tax benefit of $48,130 for the six months ended June 30, 2025 and 2024, respectively. Provisions have been made for federal, state, local, and foreign income taxes on the results of operations generated by our consolidated subsidiaries that are taxable entities. Significant differences between the statutory rate and the effective tax rate include the effect of state and local income taxes, partnership losses for which no tax benefit is recognized, the effect of tax credits and incentives, and other permanent differences. The Company's consolidated subsidiaries have recorded deferred tax valuation allowances to the extent that they believe it is more likely than not that the benefits of certain deferred tax assets will not be realized in future periods.

On July 4, 2025, Public Law No. 119-21 was signed into law, enacting significant changes to U.S. federal income tax rules. Key provisions include modifications to bonus depreciation, the deductibility of business interest expense, research and development expensing, and international tax regimes. FASB ASC 740, "Income Taxes," requires the effects of changes in tax rates and laws on tax balances to be recognized in the period in which the legislation is enacted. As the legislation was enacted after the June 30, 2025, reporting date, there is no financial impact as of and for the six-month period ended June 30, 2025. The Company is currently assessing the implications of the new law. Any resulting impacts will be reflected in the third quarter of 2025, including updates to deferred tax balances and discrete tax expense items, as applicable.

Each year, the Company files many tax returns given the number of national, state and local tax jurisdictions in which the Company operates. These tax returns are subject to examination by the tax authorities. As a result, there is an uncertainty in income taxes recognized in the financial statements in accordance with accounting for income taxes and accounting for uncertainty in income taxes. The ultimate resolution of such uncertainties is not expected to have a material impact on the Company's results of operations.

12. NET INCOME PER COMMON UNIT

The following data was used in computing net income per common unit shown in the Company's consolidated statements of operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income	$ 76,842	$ 124,946	$ 105,895	$ 159,747
Net loss (income) attributable to noncontrolling interests in consolidated entities	8	(8,608)	(43)	(9,178)
Net income attributable to common unitholders	76,850	116,338	105,852	150,569
Effect of dilutive securities:				
Interest expense from SPLP Preferred Units [(a)]	2,816	3,037	5,867	6,139
Net income attributable to common unitholders – assuming dilution	$ 79,666	$ 119,375	$ 111,719	$ 156,708
Net income per common unit – basic				
Net income attributable to common unitholders	$ 4.04	$ 5.72	$ 5.57	$ 7.33
Net income per common unit – diluted				
Net income attributable to common unitholders	$ 3.43	$ 4.85	$ 4.87	$ 6.34
Denominator for net income per common unit – basic	19,013,665	20,326,629	19,021,592	20,544,437
Effect of dilutive securities:				
Unvested restricted common units	47,540	60,584	45,109	44,398
SPLP Preferred Units	4,137,085	4,231,478	3,880,375	4,126,098
Denominator for net income per common unit – diluted	23,198,290	24,618,691	22,947,076	24,714,933

(a) Assumes the SPLP Preferred Units were redeemed in common units as described in Note 10 - "Capital and Accumulated Other Comprehensive Loss."

13. FAIR VALUE MEASUREMENTS

Financial assets and liabilities measured at fair value on a recurring basis in the Company's consolidated financial statements as of June 30, 2025 and December 31, 2024 are summarized by type of inputs applicable to the fair value measurements as follows:

June 30, 2025	Level 1	Level 2	Level 3	Total
Assets:				
Long-term investments [(a)]	$ 160,925	$ 6,004	$ 4,753	$ 171,682
Precious metal and commodity inventories recorded at fair value	49,592	—	—	49,592
Economic interests in loans [(b)]	—	—	6,190	6,190
Commodity contracts on precious metal and commodity inventories	—	4	—	4
Warrants [(c)]	—	—	1,182	1,182
Total	$ 210,517	$ 6,008	$ 12,125	$ 228,650
Liabilities:				
Commodity contracts on precious metal and commodity inventories	$ —	$ 8	$ —	$ 8
Other precious metal liabilities	$ 47,001	$ —	$ —	$ 47,001
Total	$ 47,001	$ 8	$ —	$ 47,009

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets:				
Long-term investments [(a)]	$ 67,667	$ 411	$ 4,944	$ 73,022
Precious metal and commodity inventories recorded at fair value	41,202	—	—	41,202
Economic interests in loans [(b)]	—	—	5,410	5,410
Commodity contracts on precious metal and commodity inventories	—	110	—	110
Warrants [(c)]	—	—	1,182	1,182
Total	$ 108,869	$ 521	$ 11,536	$ 120,926
Liabilities:				
Other precious metal liabilities	37,067	—	—	37,067
Total	$ 37,067	$ —	$ —	$ 37,067

(a) For additional details of the long-term investments, see Note 6 – "Investments." The investments in PCS-Mosaic of $11,671 at both June 30, 2025 and December 31, 2024 and in Trinity of $2,601 at June 30, 2025 are not included in the fair value leveling tables as both are valued at cost.

(b) For additional details of the economic interests in loans, see Note 8 – "Financial Instruments".

(c) Included within Other non-current assets in the Company's consolidated balance sheets.

There were no transfers of securities among the various measurement input levels during the six months ended June 30, 2025 or 2024.

Level 1 inputs are quoted prices in active markets for identical assets or liabilities as of the measurement date ("Level 1").

Level 2 inputs may include quoted prices in active markets for similar assets or liabilities, quoted prices in a market that is not active for identical assets or liabilities, or other inputs that can be corroborated by observable market data ("Level 2").

Level 3 inputs are unobservable for the asset or liability when there is little, if any, market activity for the asset or liability. Level 3 inputs are based on the best information available and may include data developed by the Company ("Level 3").

The fair value of the Company's financial instruments, such as cash and cash equivalents, trade and other receivables and accounts payable, approximates carrying value due to the short-term maturities of these assets and liabilities. Carrying cost approximates fair value for long-term debt, which has variable interest rates.

The precious metal and commodity inventories associated with the Company's fair value hedges (see Note 8 - "Financial Instruments") are reported at fair value. Fair values of these inventories are based on quoted market prices on commodity exchanges and are considered Level 1 measurements. The derivative instruments that the Company purchases in connection with its precious metal and commodity inventories, specifically commodity futures and forward contracts, are also valued at fair value. The futures contracts are Level 1 measurements since they are traded on a commodity exchange. The forward contracts are entered into with a counterparty and are considered Level 2 measurements.

Following is a summary of changes in financial assets measured using Level 3 inputs:

	Long Term Investments [a]	Economic Interests in Loans [b]	Warrants [b]	Total
Balance as of December 31, 2024	$ 4,944	$ 5,410	$ 1,182	$ 11,536
Sales, cash collections, and eliminations	(2)	(2,783)	—	(2,785)
Realized gains	(189)	3,563	—	3,374
Balance as of June 30, 2025	$ 4,753	$ 6,190	$ 1,182	$ 12,125
Balance as of December 31, 2023	$ 5,746	$ 4,903	$ 1,436	$ 12,085
Purchases	373	—	—	373
Sales, cash collections, and eliminations	16	(2,529)	—	(2,513)
Realized gains	(13)	2,581	—	2,568
Unrealized gains	18	—	—	18
Unrealized losses	(1,228)	—	—	(1,228)
Balance as of June 30, 2024	$ 4,912	$ 4,955	$ 1,436	$ 11,303

(a) Unrealized gains and losses are recorded in Loss of associated companies, net of taxes in the Company's consolidated statements of operations.
(b) Realized and unrealized gains and losses are recorded in Realized and unrealized gains on securities, net or Financial Services revenue in the Company's consolidated statements of operations.

Marketable Securities and Other - Valuation Techniques

The Company determines the fair value of certain corporate securities and corporate obligations by incorporating and reviewing prices provided by third-party pricing services based on the specific features of the underlying securities.

The Company uses the net asset value included in quarterly statements it receives in arrears from a venture capital fund to determine the fair value of such fund and determines the fair value of certain corporate securities and corporate obligations by incorporating and reviewing prices provided by third-party pricing services based on the specific features of the underlying securities. The fair value of the derivatives held by WebBank (see Note 8 - "Financial Instruments") represent the estimated amounts that WebBank would receive or pay to terminate the contracts at the reporting date and is based on discounted cash flow analyses that consider credit, performance and prepayment. Unobservable inputs used in the discounted cash flow analyses are: a constant prepayment rate of 8.57% to 35.36%, a constant default rate of 1.72% to 21.50% and a discount rate of 1.82% to 25.50%.

14. COMMITMENTS AND CONTINGENCIES

Environmental and Litigation Matters

The Company and certain of the Company's subsidiaries are defendants in certain legal proceedings and environmental investigations and have been designated as potentially responsible parties ("PRPs") by federal and state agencies with respect to certain sites with which they may have had direct or indirect involvement. Most of such legal proceedings and environmental investigations involve unspecified amounts of potential damage claims or awards, are in an initial procedural phase, involve significant uncertainty as to the outcome or involve significant factual issues that need to be resolved, such that it is not possible for the Company to estimate a range of possible loss. For matters that have progressed sufficiently through the investigative process such that the Company is able to reasonably estimate a range of possible loss, an estimated range of possible loss, in excess of the accrued liability (if any) for such matters, is provided. Any estimated range of possible loss is or will be based on currently available information and involves elements of judgment and significant uncertainties and may not represent the Company's maximum possible loss exposure. The circumstances of such legal proceedings and environmental investigations will change from time to time, and actual results may vary significantly from the current estimate. For current proceedings not specifically reported below, management does not anticipate that the liabilities, if any, arising from such legal proceedings and environmental investigations would have a material effect on the financial position, results of operations or cash flows of the Company.

The legal proceedings and environmental investigations are in various stages of administrative or judicial proceedings and include demands for recovery of past governmental costs, and for future investigations and remedial actions. In some cases, the dollar amounts of the claims have not been specified and, with respect to a number of the PRP claims, have been asserted against a number of other entities for the same cost recovery or other relief as was asserted against certain of the Company's subsidiaries. The Company accrues liabilities associated with environmental and litigation matters on an undiscounted basis, when they become probable and reasonably estimable. As of June 30, 2025, on a consolidated basis, the Company recorded liabilities of $2,006 and $25,634 in Accrued liabilities and Other non-current liabilities, respectively, on the consolidated balance sheet. As of December 31, 2024, on a consolidated basis, the Company recorded liabilities of $1,995 and $25,625 in Accrued Liabilities and Other non-current liabilities, respectively, on the consolidated balance sheet, which represent the current estimate of environmental remediation liabilities as well as reserves related to the litigation matters discussed below. Expenses relating to these costs, and any recoveries, are included in Selling, general and administrative expenses in the Company's consolidated statements of operations. Estimates of the Company's liability for remediation of a particular site and the method and ultimate cost of remediation require a number of assumptions that are inherently difficult to make, and the ultimate outcome may be materially different from current estimates.

Environmental Matters

Certain subsidiaries of the Company have existing and contingent liabilities relating to environmental matters, including costs of remediation, capital expenditures, and potential fines and penalties relating to possible violations of federal and state environmental laws. Such existing and contingent liabilities are continually being readjusted based upon the emergence of new findings, techniques and alternative remediation methods.

Included among these liabilities, certain of the Company's subsidiaries have been identified as PRPs under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") or similar state statutes at sites and are parties to administrative consent orders in connection with certain properties. Those subsidiaries may be subject to joint and several liabilities imposed by CERCLA on PRPs. Due to the technical and regulatory complexity of remedial activities and the difficulties attendant in identifying PRPs and allocating or determining liability among them, the subsidiaries are unable to reasonably estimate the ultimate cost of compliance with such laws at some of the sites at which the Company's subsidiaries are PRP's.

Based upon information currently available, the Company's subsidiaries do not expect that their respective environmental costs, including the incurrence of additional fines and penalties, if any, will have a material adverse effect on them or that the resolution of these environmental matters will have a material adverse effect on the financial position, results of operations or cash flows of such subsidiaries or the Company, but there can be no such assurances. The Company anticipates that the subsidiaries will pay any such amounts out of their respective working capital, although there is no assurance that they will have sufficient funds to pay them. In the event that a subsidiary is unable to fund its liabilities, claims could be made against its respective parent companies for payment of such liabilities.

The sites where certain of the Company's subsidiaries have environmental liabilities include the following:

The Company has been working with the Connecticut Department of Energy and Environmental Protection ("CTDEEP") with respect to its obligations under a 1989 consent order that applies to a former manufacturing facility located in Fairfield, Connecticut. A preliminary ecological risk assessment of the wetlands portion was submitted in 2016 to the CTDEEP for their review and approval. The CTDEEP required an additional assessment of the wetlands and Company officials continue to meet with CTDEEP representatives to agree on a workplan for the additional assessment. First phase of the investigations of the wetlands was completed in Q1 2025 and phase two is expected to begin at the end of 2025 and remediation will likely start in 2027, pending approval of a mutually acceptable wetlands work plan. A work plan to investigate the upland portion of the parcel was prepared by the Company and approved by the CTDEEP in March 2018 and implemented from 2019 through 2023. Additional upland investigatory work will be required to fully define the areas requiring remediation and is also dependent upon CTDEEP requirements and approval. Based on currently known information, the Company reasonably estimates that it may incur aggregate losses over a period of multiple years of between $10,500 and $17,500. The Company has a reserve of $14,627 recorded for future remediation costs, which is our best estimate within this range of potential losses. Due to the uncertainties, there can be no assurance that the final resolution of this matter will not be material to the financial position, results of operations or cash flows of the Company.

In 1986, a subsidiary of the Company entered into an administrative consent order ("ACO") with the New Jersey Department of Environmental Protection ("NJDEP") to investigate and remediate property in Montvale, New Jersey that it purchased in 1984. The ACO required investigation and remediation activities to be performed with regard to soil and groundwater contamination. The Company has been actively investigating and remediating the soil and groundwater since that time and has completed the implementation of the groundwater treatment system in operation at the property. Pursuant to a settlement agreement with the former owner/operator's of the site, the responsibility for site investigation and remediation costs and other related costs are contractually allocated 75% to the former owner/operator and 25% jointly to the Company, all after having the first $1,000 paid by the former owner/operator. Additionally, the Company had been reimbursed indirectly through insurance coverage for a portion of the costs for which it is responsible. There is no assurance that the former owner/operator or guarantors will continue to timely reimburse the Company for expenditures and/or will be financially capable of fulfilling their obligations under the settlement agreement and the guaranties. There is no assurance that there will be any additional insurance reimbursement. A reserve of approximately $797 has been established for the Company's expected 25% share of anticipated costs at this site, which is based upon the recent selection of a final remedy, on-going operations and maintenance, additional investigations and monitored natural attenuation testing over the next 30 years. Also, a reserve and related receivable of approximately $2,390 has been established for the former owner/operator's expected share of anticipated costs at this site.

The Company's subsidiary, SL Industries, Inc. ("SLI"), may incur environmental costs in the future as a result of the past activities of its former subsidiary, SL Surface Technologies, Inc. ("SurfTech"), in Pennsauken, New Jersey ("Pennsauken Site") and in Camden, New Jersey and at its former subsidiary, SGL Printed Circuits in Wayne, New Jersey. At the Pennsauken Site, SLI entered into a consent decree with both the U.S. Department of Justice and the U.S. Environmental Protection Agency ("EPA") in 2013 and has since completed the remediation required by the consent decree and has paid the EPA a fixed sum for its past oversight costs. Separate from the consent decree, in December 2012, the NJDEP made a settlement demand of $1,800 for past and future cleanup and removal costs and natural resource damages ("NRD"). To avoid the time and expense of litigating the matter, SLI offered to pay approximately $300 to fully resolve the claim presented by the State. SLI's settlement offer was rejected. On December 6, 2018, the State filed a complaint against SLI related to the Pennsauken Site. The State is seeking treble damages and attorneys' fees, NRD for loss of use of groundwater, as well as a request that SLI pay all cleanup and removal costs that the State has incurred and will incur at the Pennsauken Site. The parties have substantially completed the fact and expert discovery, including the exchange of competing expert reports. The Company has a reserve of $2,582. SLI intends to assert all legal and procedural defenses available to it. Accordingly, there can be no assurance that the resolution of this matter will not be material to the financial position, results of operations or cash flows of the Company.

SLI reported soil contamination and groundwater contamination in 2003 from the SurfTech site located in Camden, New Jersey. Substantial investigation and remediation work has been completed under the direction of the licensed site remediation professional for the site. Additional investigations related to certain compounds have been initiated and have delayed remediation actions. Remediation actions, including soil excavation and groundwater bioremediation began in the first half of 2025 and are expected to be completed by early 2026. Post-remediation groundwater monitoring will be conducted following completion of soil excavation. A reserve of $2,826 has been established for anticipated costs at this site, but there can be no assurance that there will not be potential additional costs associated with the site, which cannot be reasonably estimated at this time. Accordingly, there can be no assurance that the resolution of this matter will not be material to the financial position, results of operations or cash flows of the Company.

SLI is currently participating in environmental assessment and cleanup at a commercial facility located in Wayne, New Jersey. Contaminated soil and groundwater have undergone remediation with the NJDEP and LSRP oversight, but contaminants of concern in groundwater and surface water, which extend off-site, remain above applicable NJDEP remediation standards. A reserve of approximately $1,020 has been established for anticipated costs, but there can be no assurance that there will not be potential additional costs associated with the site which cannot be reasonably estimated at this time. Accordingly, there can be no assurance that the resolution of this matter will not be material to the financial position, results of operations or cash flows of SLI, HNH or the Company.

Litigation Matters

BNS Claims. A subsidiary of BNS Holdings Liquidating Trust ("BNS Sub") has been named as a defendant in multiple alleged asbestos-related toxic-tort claims filed over a period beginning in 1994 through June 30, 2025. In many cases these claims involved more than 100 defendants. There remained approximately 63 pending asbestos claims as of June 30, 2025. BNS Sub believes it has significant defenses to any liability for toxic-tort claims on the merits. None of these toxic-tort claims has gone to trial and, therefore, there can be no assurance that these defenses will prevail. BNS Sub has insurance policies covering asbestos-related claims for years beginning 1974 through 1988. BNS Sub annually receives retroactive billings or credits from its insurance carriers for any increase or decrease in claims accruals as claims are filed, settled or dismissed, or as estimates of the ultimate settlement costs for the then-existing claims are revised. As of both June 30, 2025 and December 31, 2024, BNS Sub has accrued $1,348 and $1,339 respectively, relating to the open and active claims against BNS Sub. This accrual includes the amount of unpaid retroactive billings submitted to the Company by the insurance carriers and also the Company's best estimate of the likely costs for BNS Sub to settle these claims outside the amounts funded by insurance. There can be no assurance that the number of future claims and the related costs of defense, settlements or judgments will be consistent with the experience to-date of existing claims and that BNS Sub will not need to significantly increase its estimated liability for the costs to settle these claims to an amount that could have a material effect on the consolidated financial statements.

Emhart Industries, Inc. v. New England Container Company Inc., et al. BNS Sub is one of seven remaining defendants related to the Centredale Manor Superfund Site in North Providence (the "Centradale Site") pending in the United States District Court for the District of Rhode Island. A third-party plaintiff, Emhart Industries ("Emhart"), is seeking contribution pursuant to CERCLA from BNS Sub and the six other defendants for remediation costs incurred and to be incurred by Emhart at the Centredale Site. Emhart seeks contribution damages from BNS Sub in an amount to be determined at trial. A trial was held in the fall of 2024. In the event BNS is held liable a separate proceeding in 2025 will be held to determine the allocation of any liability. A reserve of $100 has been established. The possible liability, if any, with respect to this dispute cannot be determined at this time.

In the ordinary course of our business, the Company is subject to other periodic lawsuits, investigations, claims and proceedings, including, but not limited to, contractual disputes, employment, environmental, health and safety matters, as well as claims associated with our historical acquisitions and divestitures. There is insurance coverage available for certain of the foregoing actions. Although the Company cannot predict with certainty the ultimate resolution of lawsuits, investigations, claims and proceedings asserted against the Company, it does not believe any currently pending legal proceeding to which it is a party will have a material adverse effect on its business, prospects, financial condition, results of operations or cash flows.

15. RELATED PARTY TRANSACTIONS

The receivables from related parties and payables to related parties are included in Prepaid expenses and other current assets and Other current liabilities, respectively, on the Company's consolidated balance sheets. The components of receivables from related parties and payables to related parties for the years ended June 30, 2025 and December 31, 2024 are presented below:

	June 30, 2025	December 31, 2024
Receivable from related parties:		
Receivable from other related parties	$ 2,501	$ 587
Payables to related parties:		
Payables to other related parties	154	1,288

Management Agreement with SP General Services LLC

SPLP is managed by the Manager, pursuant to the terms of the Management Agreement, which receives a fee at an annual rate of 1.5% of total Partners' capital ("Management Fee"), payable on the first day of each quarter and subject to a quarterly adjustment. In addition, SPLP may issue to the Manager partnership profits interests in the form of incentive units, which will be classified as Class C common units of SPLP, upon exceeding a baseline equity value per common unit, which is determined as of the last day of each fiscal year (see Note 10 - "Capital and Accumulated Other Comprehensive Loss" for additional information on the incentive units).

The Management Agreement is automatically renewed each December 31 for successive one-year terms unless otherwise determined at least 60 days prior to each renewal date by a majority of the Company's independent directors. The Management Fee was $4,377 and $3,542 for the three months ended June 30, 2025 and 2024, respectively, and net of reimbursement for use of Company assets of $12 and $17 for the three months ended June 30, 2025 and 2024, respectively. The Management Fee was $8,600 and $7,124 for the six months ended June 30, 2025 and 2024, respectively, and net of reimbursement for use of Company assets of $35 and $24 for the six months ended June 30, 2025 and 2024, respectively. The Management Fee is included in Selling, general and administrative expenses in the Company's consolidated statements of operations. There were no unpaid amounts for management fees included in Other current liabilities on the Company's consolidated balance sheet as of June 30, 2025 and December 31, 2024. Prepaid amounts for management fees included in Prepaid expenses and other current assets on the Company's consolidated balance sheets were $4,220 and $3,800 at June 30, 2025 and December 31, 2024, respectively.

SPLP will bear (or reimburse the Manager with respect to) all its reasonable costs and expenses of the managed entities, the Manager, SPH GP or their affiliates, including but not limited to: travel, legal, tax, accounting, auditing, consulting, administrative, compliance, investor relations costs related to being a public entity rendered for SPLP or SPH GP, as well as expenses incurred by the Manager and SPH GP which are reasonably necessary for the performance by the Manager of its duties and functions under the Management Agreement and certain other expenses incurred by managers, officers, employees and agents of the Manager or its affiliates on behalf of SPLP. Reimbursable expenses incurred by the Manager in connection with its provision of services under the Management Agreement, the majority of which was for business-related air travel, were approximately $568 and $1,498 for the three and six months ended June 30, 2024, respectively, and there were no similar charges for the three and six months ended June 30, 2025. Unpaid amounts for reimbursable expenses were approximately $0 and $1,131 as of June 30, 2025 and December 31, 2024, respectively, and are included in Other current liabilities on the Company's consolidated balance sheets. The Manager will reimburse SPLP for costs associated with the use of Company assets not related to the duties and functions under the Management Agreement. Reimbursable expenses incurred by SPLP in connection with the use of Company assets by the Manager were approximately $330 and $0 for the three months ended June 30, 2025 and 2024, respectively, and $628 and $0 during the six months ended June 30, 2025 and 2024, respectively. Unpaid amounts for reimbursable expenses were approximately $1,088 and $461 as of June 30, 2025 and December 31, 2024, respectively, and are included in Prepaid expenses and other current assets on the Company's consolidated balance sheets.

Corporate Services

The Company's subsidiary, Steel Services Ltd. ("Steel Services") provides services, which include assignment of C-level management personnel, legal, tax, accounting, treasury, consulting, auditing, administrative, compliance, environmental health and safety, human resources, marketing, investor relations, operating group management and other similar services. Steel Services has management services agreements with other companies considered to be related parties, including J. Howard Inc. and Steel Partners, Ltd. and affiliates. In total, Steel Services currently charges approximately $90 annually to these companies, and such fees are payable to Steel Services quarterly. All amounts billed under these service agreements are classified as a reduction of Selling, general and administrative expenses.

As of March 19, 2025, Steel Services and TPHS entered into a management services agreement (the "Steel MSA") pursuant to which Steel Services agreed to provide certain managerial services to TPHS. Pursuant to the Steel MSA, for a period of one-year (which shall renew automatically for additional one-year terms unless otherwise terminated), Steel Services shall provide certain managerial services to TPHS, including general assistance with legal, finance & treasury, internal audit, human resources, IT and tax functions and obligations. In consideration for the services rendered under the Steel MSA, TPHS shall pay Steel Services $10 monthly.

Mutual Securities, Inc.

Pursuant to the Management Agreement, the Manager is responsible for selecting executing brokers. Securities transactions for SPLP are allocated to brokers on the basis of reliability, price and execution. The Manager has selected Mutual Securities, Inc. as an introducing broker and may direct a substantial portion of the managed entities' trades to such firm, among others. An officer of the Manager and SPH GP is affiliated with Mutual Securities, Inc. The commissions paid by SPLP to Mutual Securities, Inc. were $202 and $170 for the six months ended June 30, 2025 and 2024, respectively, and $33 and $89 for the three months ended June 30, 2025 and 2024, respectively.

TPHS Loan

On February 18, 2025, TPHS issued a Senior Secured Promissory Note ("Steel Promissory Note") to a subsidiary of SPLP. Under this arrangement, TPHS can borrow up to $5,000 from SPLP. As of June 30, 2025, approximately $1,283, including accrued interest, was outstanding under this note.

Other

At June 30, 2025 and December 31, 2024, several related parties and consolidated subsidiaries had deposits totaling $27 and $27, respectively, at WebBank. Approximately $27 of these deposits, including interest which was not significant, have been eliminated in consolidation as of both June 30, 2025 and December 31, 2024.

16. SEGMENT INFORMATION

SPLP operates through the following segments: Diversified Industrial, Energy, Financial Services, and Supply Chain, which are managed separately and offer different products and services. The Diversified Industrial segment is comprised of manufacturers of engineered niche industrial products, including joining materials, tubing, building materials, performance materials, electrical products, cutting replacement products and services, and a packaging business. The Energy segment provides drilling and production services to the oil & gas industry and owns a youth sports business. The Financial Services segment consists primarily of the operations of WebBank, a Utah chartered industrial bank, which engages in a full range of banking activities. The Supply Chain segment is comprised of the operations of Steel Connect's wholly-owned subsidiary, ModusLink, which provides supply chain management and logistics services.

Corporate and Other consists of several consolidated subsidiaries, including Steel Services, equity method and other investments, and cash and cash equivalents. Its income or loss includes certain unallocated general corporate expenses.

Steel Services has management services agreements with its consolidated subsidiaries and other related companies as further discussed in Note 15 - "Related Party Transactions." Previously, the service fees charged by Steel Services to the Diversified Industrial, Energy, Financial Services, and Supply Chain segments related to the Management Services Agreements were approximately $13,699, $2,373, $540 and $630, respectively, for the three months ended June 30, 2024 and $27,398, $4,746, $1,080, and $1,261, respectively, for the six months ended June 30, 2024, and were reflected as expenses in the segment income (loss) below, but were eliminated in consolidation. Due to certain changes to the entity structure, we revised internal reporting provided to our Chief Operating Decision Maker ("CODM") and there is no further need to allocate the fees related to the Management Services Agreements to the four reportable segments. Accordingly, prior period information has been recast to conform with the current period presentation.

Segment information is presented below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue:				
Diversified Industrial	$ 337,256	$ 334,494	$ 639,400	$ 626,934
Energy	40,375	36,995	76,397	68,916
Financial Services	125,282	115,593	242,366	225,548
Supply Chain	49,141	46,077	93,113	88,107
Total revenue	$ 552,054	$ 533,159	$ 1,051,276	$ 1,009,505
Income (loss) before interest expense and income taxes:				
Diversified Industrial	$ 49,724	$ 42,798	$ 82,519	$ 67,227
Energy	6,052	5,466	10,109	9,429
Financial Services	32,819	29,224	62,075	57,981
Supply Chain	3,726	5,132	7,056	7,493
Corporate and Other	15,135	(14,978)	(11,438)	(27,432)
Income before interest expense and income taxes	107,456	67,642	150,321	114,698
Interest expense	2,971	1,687	6,041	3,081
Income tax provision (benefit)	27,643	(58,991)	38,385	(48,130)
Net income	$ 76,842	$ 124,946	$ 105,895	$ 159,747
Loss of associated companies, net of taxes:				
Corporate and Other	$ —	$ —	$ —	$ 7
Total	$ —	$ —	$ —	$ 7
Segment depreciation and amortization:				
Diversified Industrial	$ 10,524	$ 10,566	$ 21,052	$ 21,139
Energy	1,968	2,158	3,933	4,321
Financial Services	160	193	358	387
Supply Chain	1,581	1,369	3,132	2,695
Corporate and Other	755	143	1,507	301
Total depreciation and amortization	$ 14,988	$ 14,429	$ 29,982	$ 28,843

s

Three Months Ended June 30, 2025	Diversified Industrial	Energy	Financial Services	Supply Chain	Total
Revenue	337,256	40,375	125,282	49,141	$ 552,054
Less:					
Cost of goods sold	242,862	30,235	—	34,705	
Selling, general and administrative expenses	45,046	4,139	71,678	9,413	
Finance interest expense	—	—	17,296	—	
Provision for credit losses	—	—	3,489	—	
Other segment items [(a)]	(376)	(51)	—	1,297	
Segment income	49,724	6,052	32,819	3,726	92,321
Reconciliation of profit & loss					
Realized and unrealized gains on securities, net					(27,096)
Unallocated corporate expense					11,961
Interest expense					2,971
Income from operations before income taxes and equity method investments					$ 104,485

(a) Other segment items includes gain on disposal of fixed assets, foreign exchange losses, and certain overhead expenses.

Three Months Ended June 30, 2024	Diversified Industrial	Energy	Financial Services	Supply Chain	Total
Revenue	334,494	36,995	115,593	46,077	$ 533,159
Less:					
Cost of goods sold	242,991	27,834	—	32,371	
Selling, general and administrative expenses	48,921	3,680	60,964	9,703	
Finance interest expense	—	—	23,086	—	
Provision for credit losses	—	—	2,319	—	
Other segment items [(a)]	(216)	15	—	(1,129)	
Segment income	42,798	5,466	29,224	5,132	$ 82,620
Reconciliation of profit & loss					
Realized and unrealized gains on securities, net					(986)
Unallocated corporate expense					15,964
Interest expense					1,687
Income from operations before income taxes and equity method investments					$ 65,955

(a) Other segment items includes gain on disposal of fixed assets, foreign exchange gains, and certain overhead expenses.

Six Months Ended June 30, 2025	Diversified Industrial	Energy	Financial Services	Supply Chain	Total
Revenue	$ 639,400	$ 76,397	$ 242,366	$ 93,113	$ 1,051,276
Less:					
Cost of goods sold	465,233	58,277	—	64,823	
Selling, general and administrative expenses	91,697	9,154	139,004	19,763	
Finance interest expense	—	—	33,949	—	
Provision for credit losses	—	—	7,338	—	
Other segment items [a]	(49)	(1,143)	—	1,471	
Segment income	82,519	10,109	62,075	7,056	$ 161,759
Reconciliation of profit & loss					
Realized and unrealized gains on securities, net					(17,141)
Unallocated corporate expense					28,579
Interest expense					6,041
Income from operations before income taxes and equity method investments					$ 144,280

[a] Other segment items includes asset impairment charges, gain on disposal of fixed assets, foreign exchange losses, and certain overhead expenses.

Six Months Ended June 30, 2024	Diversified Industrial	Energy	Financial Services	Supply Chain	Total
Revenue	$ 626,934	$ 68,916	$ 225,548	$ 88,107	$ 1,009,505
Less:					
Cost of goods sold	462,403	52,593	—	62,356	
Selling, general and administrative expenses	97,454	8,009	117,444	19,085	
Finance interest expense	—	—	47,049	—	
Provision for credit losses	—	—	3,074	—	
Other segment items [a]	(150)	(1,115)	—	(827)	
Segment income	67,227	9,429	57,981	7,493	$ 142,130
Reconciliation of profit & loss					
Realized and unrealized gains on securities, net					(5,054)
Unallocated corporate expense					32,479
Interest expense					3,081
Income from operations before income taxes and equity method investments					$ 111,624

[a] Other segment items includes gains on disposal of fixed assets, foreign currency exchange gains, and certain overhead expenses.

17. REGULATORY MATTERS

WebBank is subject to various regulatory capital requirements administered by federal banking agencies. Failure to meet minimum capital requirements can initiate certain actions by regulators that, if undertaken, could have a direct material effect on WebBank's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, WebBank must meet specific capital guidelines that involve quantitative measures of its assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. WebBank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

As a result of Basel III becoming fully implemented as of January 1, 2019, WebBank's minimum requirements increased for both the quantity and quality of capital held by WebBank. The rules include a new common equity Tier 1 capital to risk-weighted assets ratio ("CET1 Ratio") of 4.5% and a capital conservation buffer of 2.5% of risk-weighted assets, which, as fully phased-in, effectively results in a minimum CET1 Ratio of 7.0%. Basel III raised the minimum ratio of Tier 1 capital to risk-weighted assets from 4.0% to 6.0% (which, with the capital conservation buffer, effectively results in a minimum Tier 1 capital ratio of 8.5% as fully phased-in) and effectively results in a minimum total capital to risk-weighted assets ratio of 10.5% (with the capital conservation buffer fully phased-in), and requires a minimum leverage ratio of 4.0%. Basel III also made changes to risk weights for certain assets and off-balance sheet exposures. WebBank expects that its capital ratios under Basel III will continue to exceed the well-capitalized minimum capital requirements and such amounts are disclosed in the table below:

			Amount of Capital Required					
	Actual		For Capital Adequacy Purposes		Minimum Capital Adequacy With Capital Buffer		To Be Well Capitalized Under Prompt Corrective Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of June 30, 2025								
Total Capital								
(to risk-weighted assets)	$ 425,167	20.80 %	$ 163,201	8.00 %	$ 214,201	10.50 %	$ 204,001	10.00 %
Tier 1 Capital								
(to risk-weighted assets)	$ 400,085	19.60 %	$ 122,401	6.00 %	$ 173,401	8.50 %	$ 163,201	8.00 %
Common Equity Tier 1 Capital								
(to risk-weighted assets)	$ 400,085	19.60 %	$ 91,801	4.50 %	$ 142,801	7.00 %	$ 132,601	6.50 %
Tier 1 Capital								
(to average assets)	$ 400,085	18.60 %	$ 85,878	4.00 %	n/a	n/a	$ 107,347	5.00 %
As of December 31, 2024								
Total Capital								
(to risk-weighted assets)	$ 401,792	18.70 %	$ 172,332	8.00 %	$ 226,186	10.50 %	$ 215,416	10.00 %
Tier 1 Capital								
(to risk-weighted assets)	$ 374,865	17.40 %	$ 129,249	6.00 %	$ 183,103	8.50 %	$ 172,332	8.00 %
Common Equity Tier 1 Capital								
(to risk-weighted assets)	$ 374,865	17.40 %	$ 96,937	4.50 %	$ 150,791	7.00 %	$ 140,020	6.50 %
Tier 1 Capital								
(to average assets)	$ 374,865	17.90 %	$ 83,913	4.00 %	n/a	n/a	$ 104,892	5.00 %

The Federal Reserve, Office of the Comptroller of Currency and Federal Deposit Insurance Corporation issued an interim final rule that excludes loans pledged as collateral to the Federal Reserve's PPP Lending Facility from supplementary leverage ratio exposure and average total consolidated assets. Additionally, PPP loans will receive a zero percent risk weight under the risk-based capital rules of the federal banking agencies.

18. SUPPLEMENTAL CASH FLOW INFORMATION

A summary of supplemental cash flow information for the six months ended June 30, 2025 and 2024 is presented in the following table:

	Six Months Ended June 30,	
	2025	2024
Cash paid during the period for:		
Interest	$ 42,013	$ 64,572
Taxes	$ 15,392	$ 24,183

Item 4. Management's Discussion and Analysis of Financial Condition and Results of Operations

As used in this Quarterly Report, unless the context otherwise requires, the terms "we," "our," "SPLP" and the "Company" refer to Steel Partners Holdings L.P.

The following discussion is intended to assist you in understanding our present business and the results of operations, together with our present financial condition. This section should be read in conjunction with our Consolidated Financial Statements and the accompanying Notes contained in this Quarterly Report, along with the Annual Report for the fiscal year ended December 31, 2024 (the "2024 Annual Report"). All monetary amounts used in this discussion are in thousands.

Cautionary Statement Regarding Forward-Looking Statements

This Quarterly Report includes "forward-looking statements" within the meaning of federal and state securities laws. These statements appear in a number of places in this report and include statements regarding the Company's intent, belief or current expectations with respect to, among other things, (i) its financing plans, (ii) trends affecting its financial condition or results of operations, (iii) the impact of legal claims and related contingencies, (iv) expectations and estimates regarding certain tax and accounting matters, including the impact on our financial statements, (v) WebBank, including its debt securities, credit risk and minimum capital requirements, (vi) cash flows from operations for the next twelve months, (vii) full-year capital expenditures, and (viii) the impact of competition. The words "expect," "anticipate," "intend," "plan," "believe," "seek," "estimate" and similar expressions are intended to identify such forward-looking statements; however, this report also contains other forward-looking statements in addition to historical information.

Forward-looking statements are only predictions based upon the Company's current expectations and projections about future events. There are important factors that could cause our actual results, levels of activity, performance or achievements to differ materially from those expressed or implied by the statements. Factors that could cause actual results or conditions to differ from those anticipated by these and other forward-looking statements include: disruptions to the Company's business as a result of economic downturns; the negative impact of inflation and supply chain disruptions; the significant volatility of crude oil and commodity prices, including from the ongoing Russia-Ukraine war or the disruptions caused by the ongoing conflict between Israel and Hamas; the effects of rising interest rates; the Company's subsidiaries' sponsor defined pension plans, which could subject the Company to future cash flow requirements; the ability to comply with legal and regulatory requirements, including environmental, health and safety laws and regulations, banking regulations and other extensive requirements to which the Company and its businesses are subject; risks associated with the Company’s wholly-owned subsidiary, WebBank, as a result of its Federal Deposit Insurance Corporation ("FDIC") status, highly-regulated lending programs, and capital requirements; the ability to meet obligations under the Company's senior credit facility through future cash flows or financings; the risk of recent events affecting the financial services industry, including the closures or other failures of several large banks; the risk of management diversion, increased costs and expenses, and impact on profitability in connection with the Company's business strategy to make acquisitions, including in connection with the Company's recent majority investment in the Supply Chain segment; the impact of losses in the Company's investment portfolio; the Company's ability to protect its intellectual property rights and obtain or retain licenses to use others' intellectual property on which the Company relies; the Company's exposure to risks inherent to conducting business outside of the U.S.; the impact of any changes in U.S. trade policies; the adverse impact of litigation or compliance failures on the Company's profitability; a significant disruption in, or breach in security of, the Company's technology systems or protection of personal data; the loss of any significant customer contracts; the Company's ability to maintain effective internal control over financial reporting; the rights of unitholders with respect to voting and maintaining actions against the Company or its affiliates; potential conflicts of interest arising from certain interlocking relationships amount us and affiliates of the Company's Executive Chairman; the Company's dependence on the Manager and impact of the management fee on the Company's total partners’ capital; the impact to the development of an active market for the Company's units due to transfer restrictions and other factors; the Company's tax treatment and its subsidiaries’ ability to fully utilize their tax benefits; the potential negative impact on our operations of changes in tax rates, laws or regulations, including U.S. government tax reform; the loss of essential employees; and other factors described in the "Risk Factors" in Part I, Item 1A of the Company's Annual Report that could affect the Company's results. Any forward-looking statement made in this Quarterly Report speaks only as of the date hereof, and investors should not rely upon forward-looking statements as predictions of future events. Except as otherwise required by law, the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason.

OVERVIEW

SPLP, together with its subsidiaries, is a diversified global holding company that owns and operates businesses and has significant interests in various companies, including diversified industrial products, energy, defense, supply chain management and logistics, banking and youth sports. SPLP operates through the following segments: Diversified Industrial, Energy, Financial Services and Supply Chain. Each of our companies has its own management team with significant experience in their respective industries.

The Diversified Industrial segment is comprised of manufacturers of engineered niche industrial products, with leading market positions in many of the markets they serve. The businesses in this segment distribute products to customers through their sales personnel, outside sales representatives and distributors in North and South America, Europe, Australia, Asia and several other international markets. Its manufacturing operations encompass joining materials, tubing, building materials, performance materials, electrical products, cutting replacement products and services, and metallized films.

The Energy segment provides drilling and production services to the oil & gas industry and owns a youth sports business. The operations of the sports business are not material to the Company. The profitability of the energy business is highly sensitive to changes in the price of crude oil. Any future decline in oil prices will negatively impact this business.

The Financial Services segment consists primarily of the operations of WebBank, of which we own 100% through our subsidiary WebFinancial Holding Corporation. WebBank is an FDIC-insured state chartered industrial bank headquartered in Utah. WebBank is subject to comprehensive regulation, examination and supervision of the FDIC and the State of Utah Department of Financial Institutions ("UDFI"). WebBank is not considered a "bank" for Bank Holding Company Act purposes and, as such, SPLP is not regulated as a bank holding company. WebBank engages in a full range of banking activities, including originating loans, issuing credit cards and taking deposits that are federally insured. WebBank originates and funds consumer and small business loans through lending programs with unaffiliated companies that market and service the programs ("Marketing Partners"), where the Marketing Partners subsequently purchase the loans (or interests in the loans) that are originated by WebBank. WebBank retains a portion of the loans it originates for its Marketing Partners. WebBank also has private-label financing programs that are branded for a specific retailer, manufacturer, dealer channel, proprietary network or bank card program. WebBank participates in syndicated commercial and industrial as well as asset-based credit facilities and asset-based securitizations through relationships with other financial institutions. Through its subsidiary, National Partners PFco, LLC ("National Partners"), WebBank provides commercial premium finance solutions for national insurance brokerages, independent insurance agencies and insureds in key markets throughout the U.S.

The Supply Chain segment consists primarily of the operations of Steel Connect, Inc.'s ("Steel Connect" or "STCN") wholly-owned subsidiary, ModusLink Corporation ("ModusLink" or "Supply Chain"), which serves the supply chain management market. ModusLink provides digital and physical supply chain solutions to many of the world's leading brands across a diverse range of industries, including consumer electronics, telecommunications, computing and storage, software and content, consumer packaged goods, health and personal care products, retail and luxury and connected devices. These solutions are delivered through a combination of industry expertise, innovative service solutions, and integrated operations, proven business processes, an expansive global footprint and world-class technology. With a global footprint spanning North America, Europe and the Asia Pacific region, ModusLink's solutions and services are designed to improve end-to-end supply chains in order to drive growth, lower costs, and improve profitability.

Corporate and Other consists of several consolidated subsidiaries, including our subsidiary, Steel Services Ltd ("Steel Services"), equity method and other investments, and cash and cash equivalents. Its income or loss includes certain unallocated general corporate expenses. Steel Services has management services agreements with our consolidated subsidiaries and other related companies. Steel Services provides assignment of C-Level management personnel, legal, tax, accounting, treasury, consulting, auditing, administrative, compliance, environmental health and safety, human resources, marketing, investor relations, operating group management and other similar services. For additional information on these service agreements, see Note 15 - "Related Party Transactions" to the SPLP consolidated financial statements found elsewhere in this Quarterly Report.

RESULTS OF OPERATIONS

Comparison of the Three and Six Months Ended June 30, 2025 and 2024

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue	$ 552,054	$ 533,159	$ 1,051,276	$ 1,009,505
Cost of goods sold	307,802	303,196	588,334	577,352
Selling, general and administrative expenses	143,154	139,699	289,317	274,991
Asset impairment charge	—	—	195	—
Interest expense	2,971	1,687	6,041	3,081
Realized and unrealized gains on securities, net	(27,096)	(986)	(17,141)	(5,054)
All other expense, net *	20,738	23,608	40,250	47,511
Total costs and expenses	447,569	467,204	906,996	897,881
Income from operations before income taxes and equity method investments	104,485	65,955	144,280	111,624
Income tax provision (benefit)	27,643	(58,991)	38,385	(48,130)
Loss of associated companies, net of taxes	—	—	—	7
Net income	$ 76,842	$ 124,946	$ 105,895	$ 159,747

* Includes Finance interest expense, Provision for credit losses, and Other income, net from the Consolidated Statements of Operations

Revenue

Revenue for the three months ended June 30, 2025 increased $18,895, or 3.5%, as compared to the same period last year. This increase was due to 9,689, or 8.4%, higher revenue from the Financial Services segment, $3,380 or 9.1%, higher net revenue from the Energy segment, $3,064, or 6.7% higher revenue from the Supply Chain segment, and $2,762 or 0.8%, higher net sales from the Diversified Industrial segment.

Revenue for the six months ended June 30, 2025 increased $41,771, or 4.1%, as compared to the same period last year, as a result of higher revenue of $16,818 or 7.5% from the Financial Services segment and higher net sales of $12,466, or 2.0% from the Diversified Industrial segments, higher net revenue of $7,481, or 10.9% from the Energy segment, and higher revenue of $5,006 or 5.7% from the Supply Chain segment.

Cost of Goods Sold

Cost of goods sold for the three months ended June 30, 2025 increased $4,606, or 1.5%, as compared to the same period last year, resulting from higher net sales from the Supply Chain segment and higher net revenue from the Energy segment.

Cost of goods sold for the six months ended June 30, 2025 increased $10,982, or 1.9%, as compared to the same period last year, resulting from higher net revenue from the Energy segment and higher revenue from the Supply Chain segment.

Selling, General and Administrative Expenses

Selling, general and administrative expenses ("SG&A") for the three months ended June 30, 2025 increased $3,455, or 2.5%, as compared to the same period last year. The increase was primarily due to higher expenses from the Financial Services segment of $11,000, primarily due to higher credit performance fees driven by higher credit risk transfer ("CRT") balances, partially offset by lower Corporate of $5,300, primarily due to lower employee benefit costs and professional fees and Diversified Industrial segment of $2,300 primarily due to lower sales volume from its Electrical Products business.

SG&A for the six months ended June 30, 2025 increased $14,326, or 5.2%, as compared to the same period last year. The increase was primarily driven by higher SG&A expenses from the Financial Services segment of $22,200 as discussed above, partially offset by Diversified Industrial segment of $4,800, primarily due to lower sales volume and headcount from its Electrical Products business.

Interest Expense

Interest expense increased $1,284, or 76.1% and $2,960, or 96.1% for the three and six months ended June 30, 2025, respectively , as compared to the same periods last year. The increases were primarily due to higher average interest rates and lower money market interest income driven by lower cash investment balances, as compared to the same periods last year.

Realized and Unrealized (Gains) Losses on Securities, Net

The Company recorded gains of $27,096 and $17,141 for the three and six months ended June 30, 2025, as compared to $986 and $5,054 for the three and six months ended June 30, 2024, respectively. These gains were due to unrealized gains related to the mark-to-market adjustments on the Company's portfolio of securities.

All Other Expense, Net

All other expense, net totaled $20,738 and $40,250 for the three and six months ended June 30, 2025, as compared to $23,608 and $47,511in the same periods of 2024, respectively. Lower all other expense, net for the three and six months ended June 30, 2025 was primarily due to $5,790 and $13,100 lower finance interest expense, partially offset by $1,170 and $4,264 higher provisions for credit losses related to the Financial Services segment, as compared to the same periods of 2024, respectively.

Income Tax Provision

The Company recorded an income tax provision of $27,643 and an income tax benefit of $58,991 for the three months ended June 30, 2025 and 2024, respectively, and an income tax provision of $38,385 and an income tax benefit of $48,130 for the six months ended June 30, 2025 and 2024, respectively. As a limited partnership, the Company is generally not directly subject to federal and state income taxes, and instead its profits and losses are passed directly to its limited partners for inclusion in their respective income tax returns. Provisions have been made for federal, state, local, and foreign income taxes on the results of operations generated by our consolidated subsidiaries that are taxable entities. The Company's effective tax rate was 26.6% and (43.1%) for the six months ended June 30, 2025 and 2024, respectively. The higher effective tax rate for the six months ended June 30, 2025, is primarily due to the impact of unrealized gains and losses on investments and the reduction in the valuation allowance against deferred tax assets reflected in the prior year. Significant differences between the statutory rate and the effective tax rate include the effect of state and local income taxes, partnership losses for which no tax benefit is recognized, and other permanent differences.

On July 4, 2025, Public Law No. 119-21 was signed into law, enacting significant changes to U.S. federal income tax rules. Key provisions include modifications to bonus depreciation, the deductibility of business interest expense, research and development expensing, and international tax regimes. FASB ASC 740, "Income Taxes," requires the effects of changes in tax rates and laws on tax balances to be recognized in the period in which the legislation is enacted. As the legislation was enacted after the June 30, 2025, reporting date, there is no financial impact as of and for the six-month period ended June 30, 2025. The Company is currently assessing the implications of the new law. Any resulting impacts will be reflected in the third quarter of 2025, including updates to deferred tax balances and discrete tax expense items, as applicable.

DISCUSSION OF CONSOLIDATED CASH FLOWS

The following table provides a summary of the Company's consolidated cash flows from operations for the six months ended June 30, 2025 and 2024:

	Six Months Ended June 30,	
	2025	2024
Net cash provided by operating activities	$ 224,162	$ 266,415
Net cash (used in) provided by investing activities	(211,997)	55,991
Net cash (used in) by financing activities	(73,176)	(470,609)
Net change for the period	$ (61,011)	$ (148,203)

Cash Flows from Operating Activities

During the six months ended June 30, 2025, the Company generated $224,162 of cash from operating activities, which was primarily due to operating income of $105,895, a net decrease in loans held for sale of $79,475, depreciation and amortization of $29,982, and deferred income taxes of $22,470. During the six months ended June 30, 2024, the Company generated $266,415 of cash from operating activities, which was primarily due to a net decrease in loans held for sale of $185,594, net income of $159,747, and depreciation and amortization of $28,843, partially offset by a decrease in deferred taxes of $72,557, a decrease in prepaid and other assets of $71,456, and a decrease in trade and other receivables of $26,556.

Cash Flows from Investing Activities

During the six months ended June 30, 2025, the Company used $211,997 of cash from investing activities, which was primarily due to purchases of investments of $164,746 and loan originations, net of collections, of $73,134, purchases of property, plant, and equipment $14,663, partially offset by maturities of investments of $32,384. During the six months ended June 30, 2024, the Company generated $55,991 of cash from investing activities, which was primarily due to loan originations, net of collections, of $90,498, proceeds from sales of investments of $13,788 and proceeds from maturities of marketable securities of $12,034, partially offset by purchases of investments of $43,189, and capital expenditures of $18,363.

Cash Flows from Financing Activities

During the six months ended June 30, 2025, the Company used $73,176 of cash from financing activities, which was primarily due to net revolver repayments of $53,600, purchases of subsidiary shares from noncontrolling interests of $33,512, purchases of the Company's preferred units of $13,668, partially offset by an increase in deposits of $35,995. During the six months ended June 30, 2024, the Company used $470,609 of cash from financing activities, which was primarily due to a decrease in deposits of $289,258, net revolver repayments of $112,649, common unit repurchases of $41,133, and purchase of subsidiary shares from noncontrolling interests of $10,905.

LIQUIDITY AND CAPITAL RESOURCES

SPLP (excluding its operating subsidiaries, the "Holding Company") is a diversified global holding company with assets that principally consist of the stock of its direct subsidiaries, equity method and other investments, and cash and cash equivalents. The Company works with its businesses to enhance their liquidity and operations and increase long-term value for its unitholders and stakeholders through working capital improvements, capital allocation policies, and operational and growth initiatives. Management plans to use the following strategies to continue to enhance liquidity: (1) continuing to implement improvements using the *Steel Business System* throughout all the Company's operations to increase sales and operating efficiencies; (2) supporting profitable sales growth both internally and potentially through acquisitions; and (3) evaluating from time to time and as appropriate, strategic alternatives with respect to its businesses and/or assets. The Company continues to examine all of its options and strategies, including acquisitions, divestitures and other corporate transactions, to increase cash flow and stakeholder value.

The Company's senior credit facility, as amended and restated, (the "Credit Agreement") consists of a senior secured revolving credit facility in an aggregate principal amount not to exceed $600,000 (the "Revolving Credit Loans"), which includes a $50,000 subfacility for swing line loans, a $50,000 subfacility for standby letters of credit and a currency sublimit (available in euros and pounds sterling) equal to the lesser of $75,000 and the total amount of the Revolving Credit Commitment. The Credit Agreement covers substantially all of the Company's subsidiaries, with the exception of WebBank and Steel Connect. Availability under the Credit Agreement is based upon earnings and certain covenants, including a maximum ratio limit on Total Leverage and a minimum ratio limit on Interest Coverage, each as defined in the Credit Agreement. The Credit Agreement is subject to certain mandatory prepayment provisions and restrictive and financial covenants, primarily the leverage ratios described above. The Company was in compliance with all financial and nonfinancial covenants as of June 30, 2025. The Company believes it will remain in compliance with the Credit Agreement's covenants for the next twelve months. If the Company does not meet its financial covenants, and if it is unable to secure necessary waivers or other amendments from its lenders on terms acceptable to management, its ability to access available lines of credit could be limited, its debt obligations could be accelerated and liquidity could be adversely affected. The Credit Agreement will expire on December 29, 2026, and all outstanding amounts will be due and payable.

The Holding Company and its operating subsidiaries believe that they have access to adequate resources to meet their needs for normal operating costs, capital expenditures, pension payments, debt obligations and working capital for their existing business, as well as to fund its taxes, legal and environmental matters, for at least the next twelve months. These resources include cash and cash equivalents, investments, cash provided by operating activities and unused lines of credit. The Holding Company and its operating businesses' ability to satisfy their debt service obligations, to fund planned capital expenditures and required pension payments, and to make acquisitions or repurchase units under its common unit repurchase program will depend upon their future operating performance, which will be affected by prevailing economic conditions in the markets in which they operate, as well as financial, business and other factors, some of which are beyond their control. As indicated above, there can be no assurances that the Holding Company and its operating businesses will continue to have access to their lines of credit if their financial performance does not satisfy the financial covenants set forth in their respective financing agreements, which could also result in the acceleration of their debt obligations by their respective lenders, adversely affecting liquidity.

As of June 30, 2025, the Company's working capital was $483,242, as compared to working capital of $625,316 as of December 31, 2024. The Company's total availability under the Credit Agreement was approximately $523,800 as of June 30, 2025. During the six months ended June 30, 2025, capital expenditures were $14,663, as compared to $18,363 for the same period of 2024. The Company and its subsidiaries have ongoing commitments, which include funding of the minimum requirements of its subsidiaries' pension plans. During the six months ended June 30, 2025, the Company did not contribute to its pension plans. The Company currently estimates it will contribute $3,002 to its pension plans during the remainder of 2025. Required future pension contributions are estimated based upon assumptions such as discount rates on future obligations, assumed rates of return on plan assets and legislative changes. Actual future pension costs and required funding obligations will be affected by changes in the factors and assumptions described in the previous sentence, including the impact of declines in pension plan assets and interest rates, as well as other changes such as any plan termination or other acceleration events.

WebBank manages its liquidity to provide adequate funds to meet anticipated financial obligations, such as certificate of deposit maturities and to fund customer credit needs. WebBank had $172,624 and $141,092 in cash and cash equivalents, time deposits placed at other institutions and federal funds sold as of June 30, 2025 and December 31, 2024, respectively. WebBank had $65,000 and $65,000 in lines of credit from its correspondent banks as of June 30, 2025 and December 31, 2024, respectively. WebBank had $196,478 and $204,748 available from the Federal Reserve discount window as of June 30, 2025 and December 31, 2024, respectively. Therefore, WebBank had a total of $434,102 and $410,840 in cash, lines of credit and access to the Federal Reserve Bank discount window as of June 30, 2025 and December 31, 2024, respectively, which represents approximately 20.0% and 19.5%, respectively, of WebBank's total assets, excluding PPP loans.

Steel Connect's wholly-owned subsidiary, ModusLink, has a revolving credit agreement (the "Umpqua Revolver") with Umpqua Bank which provides for a maximum credit commitment of $12,500 and a sub-limit of $5,000 for letters of credit and expires on March 31, 2026. As of June 30, 2025, ModusLink was in compliance with the Umpqua Revolver's covenants, and believes it will remain in compliance with the Umpqua Revolver's covenants for the next twelve months. As of June 30, 2025, ModusLink had available borrowing capacity of $11,890 and there was $610 outstanding for letters of credit.

On May 1, 2024, ModusLink entered into a Second Amendment to Credit Agreement (the "Second Amendment"), amending the Umpqua Revolver. Among other things, the Second Amendment extended the maturity date with respect to revolving loans from March 31, 2025 to March 31, 2026, removed certain adjustments in the definition of "Adjusted EBITDA" as set forth in the Umpqua Revolver, increased the minimum Adjusted Tangible Net Worth and removed certain caps and conditions on ModusLink's ability to pay dividends.

Off-Balance Sheet Arrangements

It is not the Company's usual business practice to enter into off-balance sheet arrangements such as guarantees on loans and financial commitments, indemnification arrangements and retained interests in assets transferred to an unconsolidated entity for securitization purposes. SPLP uses the same credit policy in making commitments and conditional obligations as it does for on-balance sheet instruments.

WebBank is a party to financial instruments with off-balance sheet risk. In the normal course of business, these financial instruments include commitments to extend credit in the form of loans as part of WebBank's lending arrangements with Marketing Partners. Those instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized on the Company's consolidated balance sheets. The contractual amounts of those instruments reflect the extent of involvement WebBank has in particular classes of financial instruments.

At June 30, 2025 and December 31, 2024, WebBank's undisbursed commitments under these instruments totaled $503,561 and $430,960, respectively. Commitments to extend credit are agreements to lend to a borrower who meets the lending criteria established by WebBank through one of WebBank's lending agreements with its Marketing Partners, provided there is no violation of any condition established in the contract with the counterparty to the lending arrangement. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee, and in some cases are subject to ongoing adjustment by WebBank. Since certain of the commitments are expected to expire without the credit being extended, the total commitment amounts do not necessarily represent future cash requirements. WebBank evaluates each prospective borrower's credit worthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by WebBank upon extension of credit, is based on management's credit evaluation of the borrower and WebBank's Marketing Partner.

WebBank's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit is represented by the contractual amount of those instruments. WebBank uses the same credit policy in making commitments and conditional obligations as it does for on-balance sheet instruments.