UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____ to ______

Commission File Number: 000-56773

ContextLogic Holdings Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**27-2930953**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2648 International Blvd Ste 301 **Oakland, CA**	**94601**
(Address of principal executive offices)	(Zip Code)

(415) 965-8476

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Securities registered pursuant to Section 12(g) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.0001 par value	LOGC	OTCQB

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 31, 2026, the number of shares of the registrant's common stock outstanding was 45,753,716.

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PART I—FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements (Unaudited)

CONTEXTLOGIC HOLDINGS INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
($ in millions, units and shares in thousands, except par value)
(Unaudited)

	Successor	Predecessor
	As of June 30, 2026	As of December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 11.0	$ 10.8
Accounts receivable, net	13.6	12.1
Inventories	13.4	10.9
Prepaid expenses and other current assets	1.7	1.0
Total current assets	39.7	34.8
Property, plant and equipment, net	395.6	321.4
Goodwill	148.0	28.1
Intangibles, net	378.3	16.8
Operating lease right-of-use assets	0.8	1.1
Finance lease right-of-use assets	0.4	0.4
Other inventories	5.4	5.2
Total assets	$ 968.2	$ 407.8
Liabilities, Members' Equity and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 8.9	$ 8.4
Accrued liabilities	9.5	6.4
Current maturities of long- term debt	2.1	2.3
Current portion of operating lease liability	0.6	0.7
Current portion of finance lease liability	0.1	0.1
Total current liabilities	21.2	17.9
Long-term debt, net of current maturities	209.4	203.1
Long-term portion of operating lease liability	0.2	0.5
Long-term portion of finance lease liability	0.3	0.3
Asset retirement obligations	0.8	0.8
Other noncurrent liabilities	0.8	—
Total liabilities	232.7	222.6
Commitments and contingencies (Note 14)		
Members' equity (Predecessor)		
Members' units, Class A: 191 units issued and outstanding as of December 31, 2025		181.0
Members' units, Class B: 3 units issued and outstanding as of December 31, 2025		1.5
Subscription note receivable		(0.1)
Retained earnings		1.0
Noncontrolling parent interest		1.8
Total Members Equity		185.2
Stockholders' equity (Successor)		
Preferred stock, $0.0001 par value: 100,000 shares authorized as of June 30, 2026; No shares issued and outstanding as of June 30, 2026	—	
Common stock, $0.0001 par value: 3,000,000 shares authorized as of June 30, 2026; 45,744 shares issued and outstanding as of June 30, 2026	—	
Additional paid-in capital	3,635.6	
Accumulated deficit	(3,343.8)	
Total stockholders' equity	291.8	
Noncontrolling interest (Note 15)	443.7	
Total members' equity and stockholders' equity	735.5	185.2
Total liabilities, members' equity, and stockholders' equity	$ 968.2	$ 407.8

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

CONTEXTLOGIC HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
($ in millions, units and shares in thousands, except per unit and share data)
(Unaudited)

	Successor		Predecessor		
	Three Months Ended June 30, 2026	Period from February 27, 2026 to June 30, 2026	Period from January 1, 2026 to February 26, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
Net sales	$ 33.6	$ 45.7	$ 20.3	$ 33.8	$ 66.1
Cost of sales	21.1	29.4	13.2	20.1	40.5
Gross profit	12.5	16.3	7.1	13.7	25.6
Operating expenses:					
Selling expense	1.0	1.4	0.7	1.0	2.0
General and administrative	11.7	19.2	1.6	2.4	5.0
Transaction expenses	1.8	22.5	0.1	0.2	0.2
Total operating expenses	14.5	43.1	2.4	3.6	7.2
(Loss) income from operations	(2.0)	(26.8)	4.7	10.1	18.4
Other income (expenses)					
Interest and other income	0.1	0.1	—	—	—
Interest and other expense, net	(4.4)	(6.2)	(3.0)	(5.4)	(10.8)
(Loss) income before benefit from income taxes	(6.3)	(32.9)	1.7	4.7	7.6
Benefit from income taxes	—	(41.9)	—	—	—
Net (loss) income	(6.3)	9.0	1.7	4.7	7.6
Net (loss) attributable to noncontrolling interest (Note 15)	—	—	—	—	—
Net income attributable to Parent Holdings Class A unitholders (Predecessor)			$ 1.7	$ 4.7	$ 7.6
Net (loss) income attributable to common stockholders (Successor)	$ (6.3)	$ 9.0			
Net income per unit attributable to Class A unit, basic and diluted (Predecessor)			$ 8.91	$ 24.62	$ 39.81
Basic and diluted weighted average Class A units outstanding (Predecessor)			190.9	190.9	190.9
Net (loss) income per share attributable to common stockholders, basic (Successor)	$ (0.14)	$ 0.20			
Net (loss) income per share attributable to common stockholders, diluted (Successor)	$ (0.14)	$ 0.20			
Weighted-average shares used in computing net income per share attributable to common stockholders, basic (Successor)	45,737	45,682			
Weighted-average shares used in computing net income per share attributable to common stockholders, diluted (Successor)	45,737	45,690			

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

CONTEXTLOGIC HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY AND STOCKHOLDERS' EQUITY
($ in millions, units in thousands)
(unaudited)

	Successor						
	Three Months Ended June 30, 2026						
	Common Stock						
	Shares	Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Noncontrolling Interest	Total Stockholders' Equity
Balances as of March 31, 2026	45,730.5	$ —	$ 3,635.4	$ —	$ (3,337.5)	$ 443.7	$ 741.6
Issuance of common stock upon settlement of restricted stock units	13.2	—	—	—	—	—	—
Stock-based compensation	—	—	0.1	—	—	—	0.1
Net loss	—	—	—	—	(6.3)	—	(6.3)
Deferred taxes arising from changes in ownership	—	—	0.1	—	—	—	0.1
Balances as of June 30, 2026	45,743.7	$ —	$ 3,635.6	$ —	$ (3,343.8)	$ 443.7	$ 735.5

	Predecessor							
	Three Months Ended June 30, 2025							
	Class A Member Units		Class B Member Units					
	Units	Amount	Units	Amount	Subscription Note Receivable	Accumulated Deficit	Noncontrolling Parent Interest	Total Members' Equity
Balances as of March 31, 2025	191.0	$ 183.1	2.7	$ 1.1	$ (0.1)	$ (7.3)	$ 1.7	$ 178.5
Members' distributions	—	(2.1)	—	—	—	—	—	(2.1)
Unit-based compensation expense	—	—	—	0.1	—	—	—	0.1
Net income	—	—	—	—	—	4.7	—	4.7
Balances as of June 30, 2025	191.0	$ 181.0	2.7	$ 1.2	$ (0.1)	$ (2.6)	$ 1.7	$ 181.2

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

CONTEXTLOGIC HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY AND STOCKHOLDERS' EQUITY
($ in millions, shares in thousands)
(unaudited)

	Predecessor							
	Period from January 1, 2026 to February 26, 2026							
	Class A Member Units		Class B Member Units		Subscription Note Receivable	Retained Earnings	Noncontrolling Parent Interest	Total Members' Equity
	Units	Amount	Units	Amount				
Balances as of January 1, 2026	190.9	$ 181.0	3.4	$ 1.5	$ (0.1)	$ 1.0	$ 1.8	$ 185.2
Collection of subscription note receivable	—	—	—	—	0.1	—	—	0.1
Unit-based compensation expense	—	—	0.4	0.1	—	—	—	0.1
Net income	—	—	—	—	—	1.7	—	1.7
Balances as of February 26, 2026	190.9	$ 181.0	3.8	$ 1.6	$ —	$ 2.7	$ 1.8	$ 187.1

	Successor						
	Period from February 27, 2026 to June 30, 2026						
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Amount					
Balances as of February 27, 2026	26,941.2	$ —	$ 3,484.3	$ —	$ (3,352.8)	$ —	$ 131.5
Issuance of common stock upon settlement of restricted stock units	103.5	—	—	—	—	—	—
Stock-based compensation	—	—	0.6	—	—	—	0.6
Net income	—	—	—	—	9.0	—	9.0
Issuance of common stock - US Salt Acquisition	15,480.4	—	123.9	—	—	—	123.9
Issuance of Noncontrolling interest - US Salt Acquisition	—	—	—	—	—	201.4	201.4
Issuance of common stock - Rights Offering	3,218.6	—	25.5	—	—	—	25.5
Issuance of subsidiary membership units - Rights Offering backstop	—	—	—	—	—	89.3	89.3
Conversion of redeemable noncontrolling interest to noncontrolling interest	—	—	—	—	—	153.0	153.0
Deferred taxes arising from changes in ownership	—	—	1.3	—	—	—	1.3
Balances as of June 30, 2026	45,743.7	$ —	$ 3,635.6	$ —	$ (3,343.8)	$ 443.7	$ 735.5

	Predecessor							
	Six Months Ended June 30, 2025							
	Class A Member Units		Class B Member Units		Subscription Note Receivable	Accumulated Deficit	Noncontrolling Parent Interest	Total Members' Equity
	Units	Amount	Units	Amount				
Balances as of January 1, 2025	191.0	$ 184.5	2.2	$ 1.2	$ (0.2)	$ (10.2)	$ 1.7	$ 177.0
Members' distributions	—	(3.5)	—	—	—	—	—	(3.5)
Collection of subscription note receivable	—	—	—	—	0.1	—	—	0.1
Unit-based compensation expense	—	—	0.7	0.2	—	—	—	0.2
Repurchase of units	—	—	(0.2)	(0.2)	—	—	—	(0.2)
Net income	—	—	—	—	—	7.6	—	7.6
Balances as of June 30, 2025	191.0	$ 181.0	2.7	$ 1.2	$ (0.1)	$ (2.6)	$ 1.7	$ 181.2

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

CONTEXTLOGIC HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(unaudited)

	Successor	Predecessor	
	Period from February 27, 2026 to June 30, 2026	Period from January 1, 2026 to February 26, 2026	Six Months Ended June 30, 2025
Cash flows from operating activities:			
Net income	$ 9.0	$ 1.7	$ 7.6
Adjustments to reconcile net income to net cash (used in) provided by operating activities:			
Depreciation, depletion, and amortization	13.3	2.7	7.3
Deferred income tax	(41.9)	—	—
Unit/Stock-based compensation	0.6	0.1	0.2
Long-term incentive plan expense	0.8	—	—
Other	0.7	0.2	0.9
Changes in operating assets and liabilities:			
Accounts receivable, net	(0.1)	(1.3)	0.2
Inventory	(0.7)	(0.7)	(1.0)
Prepaid expenses and other current assets	(0.1)	0.1	0.7
Other inventories	(0.2)	—	(0.3)
Accounts payable	(3.6)	(1.0)	(1.8)
Operating lease liabilities	(0.3)	(0.1)	(0.4)
Accrued liabilities	2.7	0.1	(1.3)
Net cash (used in) provided by operating activities	(19.8)	1.8	12.1
Cash flows from investing activities:			
Purchases of property, plant and equipment	(2.3)	(1.3)	(4.2)
Acquisition of businesses, net of cash acquired	(585.2)	—	—
Net cash (used in) investing activities	(587.5)	(1.3)	(4.2)
Cash flows from financing activities:			
Proceeds from issuance of common stock from the backstopped rights offering, net of cost	25.5	—	—
Proceeds from issuance of subsidiary membership units from the backstopped rights offering	89.3	—	—
Proceeds from issuance of subsidiary membership units, prior to conversion (Note 15)	75.0	—	—
Proceeds from issuance of long-term debt	215.0	—	—
Payment of debt issuance costs	(3.6)	—	—
Repayment of principal on term loan	—	—	(4.2)
Repayment of principal of finance leases obligations	—	—	(0.1)
Member's distributions	—	—	(3.5)
Proceeds from collection of unit subscription receivable	—	—	0.1
Repurchase of units	—	—	(0.2)
Other	(0.2)	—	—
Net cash provided by (used in) financing activities	401.0	—	(7.9)
Net (decrease) increase in cash and cash equivalents	(206.3)	0.5	—
Cash and cash equivalents at beginning of period	217.3	10.8	7.4
Cash and cash equivalents at end of period	$ 11.0	$ 11.3	$ 7.4
Supplemental cash flow disclosures:			
Cash paid for income taxes, net of refunds	$ —	$ —	$ —
Cash paid for interest	$ 5.9	$ —	$ 10.7
Supplemental noncash investing and financing activities:			
Property, plant and equipment in accounts payable	$ 0.9	$ 0.5	$ 0.6
Equity exchanged for ownership in US Salt (Note 3)	$ 325.2	$ —	$ —
Conversion of redeemable noncontrolling interest to noncontrolling interest (Note 15)	$ 153.0	$ —	$ —

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

CONTEXTLOGIC HOLDINGS INC.
Notes to Unaudited Condensed Consolidated Financial Statements

NOTE 1. DESCRIPTION OF BUSINESS

ContextLogic Holdings Inc. is a business ownership platform designed from first principles to combine the structural advantages of permanent public capital with the operating discipline, alignment, and long-term orientation typically associated with private ownership. ContextLogic's mission is to build a portfolio of high-quality, niche, and competitively advantaged businesses that generate sustainable, growing free cash flow that can be reinvested over long time horizons.

ContextLogic Holdings Inc. and its consolidated subsidiaries are referred to herein collectively as "ContextLogic," the "Company," "we," "our" or "us."

The US Salt Acquisition

On February 26, 2026 ContextLogic Holdings, LLC, a Delaware limited liability company and majority owned subsidiary (“Holdings”) acquired US Salt Parent Holdings, LLC, a New York based company ("US Salt"), pursuant to the terms of the Purchase Agreement ("Purchase Agreement", such acquisition the "US Salt Acquisition"). US Salt is a leading producer, packager, and distributor of evaporated and specialty salt products originally founded in 1893. The US Salt Acquisition is accounted for as a business combination under Accounting Standards Codification ("ASC") Topic 805, Business Combinations, using the acquisition method of accounting, and ContextLogic has been determined to be the accounting acquirer. Refer to Note 3, Business Combinations, for more information.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Consolidation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"), pursuant to the rules and regulations of the Securities and Exchange Commission, or SEC, regarding interim financial reporting. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements and therefore should be read in conjunction with the Company’s December 31, 2025 Annual Report on Form 10-K. The results of operations for the six and three months ended June 30, 2026 are not necessarily indicative of the results to be expected for any future period or the full fiscal year.

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation. For consolidated subsidiaries in which our ownership is less than 100% and for which we have control over the assets and liabilities and the management of the entity, the outside stockholders’ interests are shown as non-controlling interests.

As a result of the significance of the relative operations of US Salt acquired in the US Salt Acquisition, US Salt is reflected as the Predecessor to the combined entity for financial statement purposes. Accordingly, all periods presented through the closing date of the US Salt Acquisition, February 26, 2026, reflect the historical balances and results of US Salt and all its majority or wholly owned subsidiaries ("Predecessor"). Periods presented after the closing of the US Salt Acquisition reflect the accounts of the Company and its wholly owned subsidiary along with Holdings and Holdings' wholly owned subsidiaries, including US Salt ("Successor"). In accordance with the application of acquisition accounting, the assets and liabilities of US Salt acquired by the Company have been remeasured to fair value in the Successor periods.

Certain costs were contingent solely upon the consummation of the US Salt Acquisition and are therefore not reflected in either the Predecessor or Successor income statements. These costs, totaling $4.8 million, consist of unit-based incentive compensation expense related to the accelerated vesting of US Salt time-vested and performance-vested incentive units that vested upon the change in control pursuant to pre-existing award agreements. These amounts were fully contingent upon the closing of the US Salt Acquisition and US Salt would not have recognized the expense absent consummation of the transaction. The vested awards were included in the outstanding shares acquired in the US Salt Acquisition; as a result, the fair value of the consideration exchanged for the ownership interests related to the incentive units subject to accelerated vesting is included in the consideration transferred. Refer to Note 15, Equity and Noncontrolling Interest, for additional information related to the incentive units.

For the period from January 1 to February 26, 2026, the public company and parent-level items of the Company, distinct and separate from the operating results of US Salt, ("CLHI Corporate") had general and administrative expenses of $1.0

million, transaction expenses of $1.4 million, net interest and other income of $1.2 million, net loss of $1.2 million, accretion on CLHI Corporate's redeemable noncontrolling interest's preferred shares of $0.5 million, and a final net loss attributable to common stockholders of $1.7 million. Refer to Note 15, Equity and Noncontrolling Interest, for more information about CLHI Corporate's redeemable noncontrolling interest prior to the US Salt Acquisition.

The Condensed Consolidated Balance Sheet as of December 31, 2025 is derived from the audited consolidated financial statements, however, it does not include all of the information and footnotes required by GAAP for complete financial statements.

Use of Estimates

The preparation of the condensed consolidated financial statements in accordance with GAAP requires management to make estimates, assumptions and judgements that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the condensed consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period in the condensed consolidated financial statements and accompanying notes. Management evaluates these estimates on an ongoing basis using historical experience and other factors, including the current economic environment, and makes adjustments when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from those estimates and assumptions. Significant changes, if any, in those estimates and assumptions will be reflected in the consolidated financial statements in future periods.

These estimates, assumptions and judgements include, but are not limited to, revenue recognition, impairment analysis of goodwill, depletion of salt reserves, impairment of long-lived assets and finite-lived intangible assets, fair value of financial instruments, contingent liabilities, and uncertain tax positions.

Summary of Significant Accounting Policies

US Salt Long-Term Incentive Plan

The Company accounts for awards under the US Salt 2026 Long-Term Incentive Plan (the “LTIP”) in accordance with ASC 718, Compensation—Stock Compensation. Because the LTIP awards may be settled in cash, a variable number of shares, other equity instruments, or some combination of the three based on a monetary value determined by reference to EBITDA performance rather than the fair value of the Company’s common stock or other equity instruments, the awards are classified as liability awards. Liability-classified awards are remeasured at fair value at each reporting date until settlement, with changes in fair value recognized as stock-based compensation expense over the requisite service period to the extent achievement of the applicable performance condition is considered probable.

The Company recognizes compensation cost for the LTIP awards over the requisite service period from the grant date through December 31, 2030, if and when achievement of the applicable performance condition is considered probable. The Company accounts for forfeitures as they occur.

The fair value of LTIP awards is estimated using an expected payout method based on the most likely performance scenario as of the applicable measurement date. The estimate incorporates the substantive terms of the awards, including the EBITDA-based performance condition and end-of-period true-up feature. Because the awards are liability-classified, the Company remeasures the LTIP liability at each reporting date until settlement, with changes in fair value recognized as stock-based compensation expense over the requisite service period to the extent achievement of the applicable performance condition is considered probable.

Revenue recognition

Revenue is recognized at the point in time when control is transferred to the customer. In general, control transfers to a customer when the product is shipped or delivered to the customer based upon applicable shipping terms, as the customer can direct the use and obtain substantially all the remaining benefits from the product at this point in time. The Company’s revenue is reported as net sales and is measured as the determinable transaction price, net of any variable consideration such as discounts, sales incentives, rights to return product, and any taxes collected from customers and remitted to governmental authorities. Refer to Note 4, Revenue, for further information.

Cost of sales

Cost of sales reflects the costs to produce our products, which primarily consists of labor, employee benefits, materials, depreciation and depletion, shipping and handling, and overhead. Cost of sales is capitalized in inventory and expensed when control is transferred to the customer.

Accounts receivable, net and allowance for expected credit losses

Accounts receivable, net of allowance are uncollateralized customer obligations billed under contract terms. Accounts receivable are stated at their net realizable value. The Company estimates an allowance for credit losses based upon the evaluation of several factors including related ages of past due receivables, customer type, customer credit worthiness, knowledge of a customer's financial conditions, historical collection experience, current economic factors, and other factors relevant to assessing the expected credit losses. The Company records uncollectible amounts against the allowance for credit losses once management determines the amount to be uncollectible.

Concentration of credit and customer risk

The Company's financial instruments that are exposed to concentrations of credit risk consist of cash and accounts receivable.

Cash balances at various times during the year may exceed the amount insured by the Federal Deposit Insurance Corporation. The Company monitors the credit ratings of financial institutions where its cash deposits are held, and has not incurred any losses related to such deposits.

The Company can, at times, be subject to a concentration of credit risk with respect to outstanding accounts receivable. The Company's customers are located throughout the United States through various channels including national retail chains, pharmaceutical companies, food service operators, and independent distributors. Although the Company generally grants credit without collateral, management believes that its contract acceptance, billing and collection policies are adequate to minimize material credit risk. The Company has one major customer which accounted for 14.0% and 10.7% of accounts receivable as of June 30, 2026 (Successor) and December 31, 2025 (Predecessor), respectively. The Company also has one major customer, which accounts for 14.0%, 14.3%, 12.3%, 12.6%, and 13.0% of net sales for the three months ended June 30, 2026 (Successor), the period from February 27, 2026 to June 30, 2026 (Successor), the period from January 1, 2026 to February 26, 2026 (Predecessor), and the three months and six months ended June 30, 2025 (Predecessor), respectively.

Inventories and other inventories

Salt is reported as inventory at the point in time it is extracted from the brine well. Salt inventories, packaging, supplies, and maintenance materials are valued at the lower of cost or net realizable value, with cost determined on standard costing method. Substantially all costs associated with the production of finished goods, such as labor, supplies, equipment cost, inbound freight and overhead (including depletion of salt reserves), are captured as inventory costs.

Maintenance materials are expensed as consumed or capitalized into property, plant and equipment if it meets the criteria of a capital expenditure. Additionally, maintenance materials that are not expected to be used in the next twelve months from the balance sheet date are recorded as other inventories in the Condensed Consolidated Balance Sheets.

Management monitors inventory levels and adjusts valuation for slow-moving inventory, shrinkage, obsolescence, and markdowns. The Company accounts for slow-moving or obsolete inventory that is established based on management's estimates of the net realizable value of the related products at the end of each reporting period.

Property, plant and equipment, net

Property and equipment is stated at cost less accumulated depreciation and depletion. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense. When depreciable properties are retired or sold, the cost and related accumulated depreciation is eliminated from the accounts and any resulting gain or loss is reflected in the Company's Condensed Consolidated Statements of Operations. Depreciation is provided using the straight-line method, based on the useful lives of assets which range from three to twenty years.

Property, plant and equipment also includes salt reserves, which consist of brine fields and underground salt bed owned by the Company. Salt reserves are depleted on a units-of-production basis based on the estimated annual consumption as extraction of reserves takes place.

The following table summarizes the estimated useful lives of the Company's different classes of property, plant and equipment:

	Years
Buildings and improvements	10 - 20
Machinery and equipment	3 - 14

Construction in Process ("CIP") represents the accumulated costs of construction and development for assets that are not yet completed and ready for their intended use. CIP is recorded as property, plant and equipment in the condensed consolidated financial statements and is not depreciated until the asset is placed into service. Borrowing costs are recognized, as an expense, in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset when it is probable that they will result in future economic benefits to the entity and that the costs can be measured reliably. The Company capitalized insignificant amounts of interest cost and $0.1 million for three months ended June 30, 2026 (Successor) and June 30, 2025 (Predecessor), respectively. The Company capitalized insignificant amounts of interest cost for the period from February 27, 2026 to June 30, 2026 (Successor) and the period from January 1, 2026 to February 26, 2026 (Predecessor), and capitalized interest costs of $0.2 million for the six months ended June 30, 2025 (Predecessor). Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss.

Leases

The Company determines if an arrangement is a lease at its inception. In certain of the Company’s lease arrangements, judgment is required in determining if a contract contains a lease. For these arrangements, there is judgment in evaluating if the arrangement involves an identified asset that is physically distinct or whether the Company has the right to substantially all of the capacity of an identified asset that is not physically distinct. In arrangements that involve an identified asset, there is also judgment in evaluating if the Company has the right to direct the use of that asset.

The Company determines whether an arrangement is or contains a lease, its classification, and its term at the lease commencement date. The Company leases office space, warehouses, and equipment under non-cancelable operating and finance leases. A lease is classified as a finance lease if it transfers ownership, includes a purchase option reasonably certain to be exercised, covers a major portion of the asset’s economic life, has payments that approximate substantially all of the asset’s fair value, or involves an asset of specialized nature. Leases with a term greater than one year will be recognized on the Condensed Consolidated Balance Sheets as right-of-use ("ROU") assets, current lease liabilities, and if applicable, long-term lease liabilities. The Company includes renewal options to extend the lease term where it is reasonably certain that it will exercise these options. Lease liabilities and the corresponding ROU assets are recorded based on the present values of lease payments over the lease term. The interest rate implicit in the Company’s leases are not readily determinable. As such, the Company uses its incremental borrowing rate as the discount rate, which approximates the interest rate at which the Company could borrow on a collateralized basis with similar terms and payments and in similar economic environments. The Company’s leases have remaining terms ranging from 1 to 5 years, with some of those leases including options that grant the Company the ability to renew or extend the lease term. When determining the lease term, the Company does not include periods covered by the renewal options unless they are reasonably certain to exercise such renewal options.

Leases with an initial term of 12 months or less are not recorded on the Condensed Consolidated Balance Sheets. The Company recognizes lease expense for these leases on a straight-line basis over the lease term. The Company accounts for lease and non-lease components, principally common area maintenance for its facilities leases, as a single lease component for its facilities leases. Variable lease costs represent additional expenses incurred by the Company that are not included in the lease payment. Variable lease costs include maintenance charges, taxes, insurance, and other similar costs, and are recorded within cost of sales and general and administrative expense on the Condensed Consolidated Statements of Operations for the period from February 27, 2026 to June 30, 2026 (Successor), the period from January 1, 2026 to February 26, 2026 (Predecessor), and the three and six months ended June 30, 2025 (Predecessor).

Debt issuance costs

Debt issuance costs are amortized using the effective interest method over the term of the related borrowing agreement and the amortization is included in interest expense within the Condensed Consolidated Statements of Operations. The unamortized portion of deferred financing fees associated with long-term borrowings are shown netted against the Company's outstanding long-term debt.

Environmental cost

Environmental costs, other than those of a capital nature, are accrued at the time when exposure becomes known, and costs can be reasonably estimated. Costs are accrued based upon management’s estimates of all direct costs. Amounts accrued for environmental matters were not material as of June 30, 2026 (Successor) and December 31, 2025 (Predecessor).

Asset retirement obligations

Legal obligations associated with the retirement of long-lived assets are reflected at their estimated fair value, with a corresponding charge to cost of goods sold, at the time they are incurred. Asset retirement obligations ("ARO") primarily consist of spending estimates related to capping brine wells and support facilities in accordance with federal and state reclamation laws as defined by each mining permit. The Company estimates and records the fair value of a liability for an asset retirement obligation in the period in which it is incurred and a corresponding increase in the carrying amount of the related long-lived asset. The liability is accreted to its present value each period and the capitalized cost is amortized using the units-of-production method over estimated recoverable reserves upon commencement of salt extraction. The amortized cost is included in the cost of sales in the Condensed Consolidated Statements of Operations.

Finite-lived intangible assets and long-lived assets

Finite-lived intangible assets acquired by the Company are initially recorded at fair value and amortized using the straight-line method to distribute the initial value of the assets over the estimated useful lives, which management has determined to be between ten and fifteen years.

The Company reviews long-lived assets including right-of-use assets and finite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset might not be recoverable. Recoverability of assets held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the use and eventual disposition of the asset. If such assets are considered impaired, the impairment recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value.

There were no impairment indicators of long-lived assets or finite-lived intangibles for the period from February 27, 2026 to June 30, 2026 (Successor), the period from January 1, 2026 to February 26, 2026 (Predecessor), and the six months ended June 30, 2025 (Predecessor).

Goodwill

Goodwill consists of the excess cost of an acquired business over the fair market value of the underlying net assets. We review goodwill annually for impairment, or more frequently if impairment indicators arise. We do not amortize such assets.

The Company performs an annual impairment test as of October 1 of each year or more frequently if events or changes in circumstances indicate that the asset may be impaired. As the Company's business is highly integrated and its components have similar economic characteristics, management has concluded the Company operates as one reporting unit at the entity level. The Company evaluates goodwill for potential impairment on an annual basis or when indicators of impairment exist during the year. When the Company evaluates goodwill for potential impairment, generally, the Company first performs a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. A qualitative assessment may include, but is not limited to, reviewing factors such as macroeconomic conditions, industry and market considerations, cost factors, financial performance and other entity or reporting unit specific events. If the Company determines qualitatively that it is more likely than not that the fair value of a reporting unit is less than its carrying value, or if the Company decides to bypass the qualitative assessment, the Company performs a quantitative analysis. The quantitative analysis is used to identify both the existence of impairment and the amount of impairment loss by comparing the estimated fair value of a reporting unit to its carrying value. The estimated fair value is based on forward-looking estimates of performance and cash flows of the reporting unit, which are based on historical operating results, adjusted for current and expected future market conditions, as well as various internal projections and external sources. If the carrying value of the reporting unit exceeds its estimated fair value, an impairment loss would be recognized in our Condensed Consolidated Statements of Operations in an amount equal to the excess of the carrying value over the estimated fair value, limited to the total amount of goodwill allocated to that reporting unit.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency (USD) using exchange rates prevailing at the dates of the transactions. Gains and losses on foreign currency transactions are recognized in Condensed Consolidated Statements of Operations.

Segment

The Company operates in one segment based upon the financial information used by its Chief Operating Decision Maker ("CODM") in evaluating the financial performance of its business and allocating resources. The single segment represents the Company’s core business of selling salt products to its customers. See Note 20, Segment Information, for further information on the Company’s reportable segment.

Income taxes

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

The Company recognizes deferred tax assets to the extent that it believes that these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, carryback potential if permitted under the tax law, and results of recent operations. If the Company determines that it would be able to realize the deferred tax assets in the future in excess of their net recorded amount, the Company would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

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

It is the Company’s policy to include penalties and interest expense related to income taxes as a component of interest and other expense, net as necessary.

Noncontrolling Interest

Noncontrolling interest includes the share of Holdings' issued Class A Convertible Preferred Units ("Preferred Units"). These Preferred Units have a preference right upon a liquidation or distribution event to have their capital contribution returned first. Only after all Class A Capital Contribution (total cash or property contributed to Holdings from the Class A Members) has been returned can Class B or Class P Members earn any returns. The Company thus allocates its net income or loss using a balance sheet approach referred to as the hypothetical liquidation at book value ("HLBV") method. Under the HLBV method, the amounts reported as noncontrolling interest represent the amounts Holdings' members would hypothetically receive at each balance sheet date under the liquidation provisions of the Second Amended and Restated Limited Liability Company Agreement (the "Second A&R LLC Agreement"), assuming the net assets of the funding structures were liquidated at their recorded amounts determined in accordance with GAAP. The members' interests in Holdings' results of operations are determined as the difference in noncontrolling interest at the start and end of each reporting period, after taking into account any capital transactions between Holdings and its members.

Comprehensive Income

The Company had no other comprehensive income or loss for the periods presented. Accordingly, net income equals comprehensive income.

Unit-based compensation (Predecessor only)

US Salt accounted for unit-based compensation by recording expenses using the fair value of Class B unit ("USPH Class B unit") awards at the time of grant. In estimating the fair value of the USPH Class B units granted, US Salt utilized the option pricing model ("OPM"), in the form of a single stochastic valuation process applying the Black-Scholes Pricing Model ("BSPM"), along with the Monte-Carlo simulation model ("MCSM"). The BSPM and MCSM provided the ability to analyze financial instruments within a complex capital structure and whose values derived from variable significant inputs and assumptions along with future financial outcomes upon future events such as change of control or capital raise (such as an IPO). The application of the valuation method involved inputs and assumptions that were judgmental and highly sensitive.

US Salt recognized expenses associated with such USPH Class B unit awards over the service period when the grant was service based. The unit-based compensation expense for performance-based USPH Class B units was recognized when management determined that it was probable that the performance criteria is met and if and only if participant had been continuously employed by or continuously providing services to US Salt from the vesting start date through the date of which the performance criteria is met. US Salt's accounting policy was to recognize forfeitures as they occurred. US Salt may have made cash payments to repurchase vested USPH Class B units and forfeited the unvested USPH Class B units due to termination or departure of an employee or member of the Board of Directors. Upon the repurchase, US Salt recorded the repurchase price (which under the terms of the grant agreements will be at fair value) as a reduction of equity, and the previously recognized compensation expenses for unvested USPH Class B units were reversed.

Subscription note receivable (Predecessor only)

US Salt was able to issue Class A units ("USPH Class A units") to employees and receive subscription notes receivable. The subscription notes receivable was repaid through cash upon receipt of annual bonus. The notes were able to be voluntarily prepaid at any time without penalty. In addition, the notes required mandatory prepayment, without premium or penalty, upon the purchaser's receipt of any cash proceeds related to the securities, including cash distributions (other than tax distributions) or transfers of such securities, in an amount equal to the proceeds received. Subscription notes receivable were classified as a deduction from Members' equity within the Condensed Statement of Changes in Members' Equity.

Noncontrolling parent interest (Predecessor only)

Emerald Lake Capital LP together with Emerald Fund, Blocker Seller, and Emerald Lake Pearl Holding LLC owned approximately 99.5% of the Class A units of US Salt through EL US Salt Aggregator, LP ("Aggregator"), which held the 1% noncontrolling parent interest in US Salt Intermediate Holdings, LLC. Net income or loss attributable to the noncontrolling parent interest on the Condensed Consolidated Statements of Operations represented the portion of earnings or losses attributable to the interest in US Salt's subsidiaries held by Aggregator.

Net income per unit (Predecessor only)

As of December 31, 2025 (Predecessor), US Salt had outstanding subscription notes receivable from members when certain USPH Class A units were issued. US Salt concluded that it 1) could cancel the USPH Class A units if the member defaulted on the subscription notes receivable and (2) intended to exercise this cancellation right. For net income per unit calculation purposes, US Salt treated the unpaid USPH Class A units that were issued and legally outstanding in the same manner as an option. The unpaid USPH Class A units were issued and legally outstanding and had the same distribution and participation rights as the paid USPH Class A units. Net income per unit for the three and six months ended June 30, 2025 (Predecessor) was calculated using the two-class method. The two-class method required an allocation of earnings to all securities (USPH Class A units and USPH Class B units) that participated in net income to the extent that each such security was able to share in US Salt's earnings. Basic net income per unit was calculated by dividing net income attributable to Parent Holdings Class A members by the weighted average number of USPH Class A units.

Diluted net income per unit for the three and six months ended June 30, 2025 (Predecessor) was calculated by applying the two-class method for participating securities and then incorporating the dilutive effects of other potential USPH Class A units, determined using the treasury stock method, to arrive at the most dilutive net income per unit. The two-class method used net income available to Class A members and assumed conversion of all potential units other than the participating securities. There were no dilutive securities outstanding as of December 31, 2025 (Predecessor).

Besides the above, there have been no changes to the Company's significant accounting policies described in its 2025 Form 10-K that have had a material impact on its condensed consolidated financial statements.

Recently Adopted Accounting Pronouncements

In July 2025, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2025-05, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets, which amends the guidance in ASC 326 to simplify the estimation of credit losses on current accounts receivable and current contract assets arising from transactions accounted for under ASC 606. The amendments allow all entities to elect a practical expedient to assume that the current conditions as of the balance sheet date will remain unchanged for the remaining life of the asset when developing a reasonable and supportable forecast as part of estimating expected credit losses on these assets. Entities are required to disclose their practical expedient and accounting policy elections. The Company has applied this amendment prospectively starting in 2026. There was no significant impact upon adopting this standard.

Accounting Pronouncements

The Company has reviewed recent accounting pronouncements and concluded as follows:

In November 2024, the FASB issued ASU No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires disclosure of specified information about certain costs and expenses including the amounts of purchase of inventory, employee compensation, depreciation, intangible asset amortization, and depreciation, depletion, and amortization recognized as part of oil- and gas-producing activities, and the total amount of selling expenses and an entity's definition of selling expenses. The amendments in this ASU are effective to all public business entities for fiscal years beginning after December 15, 2026. Early adoption is permitted. The Company is evaluating the impact this guidance may have on the consolidated financial statements.

In January 2025, the FASB issued ASU No. 2025-01, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date, which clarified the effective date of ASU No. 2024-03 to be annual reporting periods beginning after December 15, 2026 and interim periods within the annual reporting periods beginning after December 15, 2027. The amendments in this ASU are effective to all public business entities. Early adoption is permitted. The Company is evaluating the impact this guidance may have on the footnotes to the condensed consolidated financial statements together with ASU No. 2024-03.

In December 2025, the FASB issued ASU No. 2025-11, Interim Reporting (Topic 270): Narrow-Scope Improvements, which was intended to provide clarity without changing, expanding, or reducing current interim reporting or disclosure requirements. The amendments in this ASU are effective to all entities that provide interim financial statements and notes in accordance with GAAP for interim reporting periods within annual reporting periods beginning after December 15, 2027 for public business entities and for interim reporting periods within annual reporting periods beginning after December 15, 2028 for entities other than public entities. Early adoption is permitted. The Company is evaluating the impact this amended guidance may have on the footnotes to the condensed consolidated financial statements.

The Company has considered all other recently issued accounting pronouncements and concluded they are either not applicable to the business or no material impact is expected on the condensed consolidated financial statements or notes as a result of future adoption.

NOTE 3. BUSINESS COMBINATIONS

The Company, together with Holdings, completed the US Salt Acquisition on February 26, 2026, resulting in the acquisition of 100% of the issued and outstanding equity units of US Salt (the "Business Combination"). US Salt is a leading provider in the evaporated salt market, specializing in the extraction, refinement, and packaging of specialty salts. Its products serve diverse sectors, including retail grocery, pharmaceuticals, industrial applications, and food service.

As a result of the US Salt Acquisition, the Company's financial statement presentation distinguishes US Salt as the "Predecessor" through February 26, 2026 (the "Closing Date"). The Company, which consolidated US Salt subsequent to the Business Combination, is the "Successor" for periods after the Closing Date. As a result of the application of the acquisition method of accounting in the Successor period, the financial statements for the Successor period present US Salt on a full step-up basis as a result of the Business Combination, and are therefore not comparable to the financial statements of the Predecessor period that are not presented on the same full step-up basis.

During the period from February 27, 2026 to June 30, 2026 (Successor) and the period from January 1, 2026 to February 26, 2026 (Predecessor), the Company incurred $21.2 million and $0.1 million, respectively, of transaction costs related to the acquisition of US Salt. These expenses are included in transaction expenses on the Company's Condensed Consolidated Statements of Operations for each respective period.

The fair value of the total consideration transferred was determined as follows:

	Fair Value Consideration Transferred (in millions)
Payments made to the Seller Parties	
Cash consideration	$ 386.8
Repayment of US Salt debt	209.7
Total cash consideration	**596.5**
Rollover equity	325.2
Total equity consideration	**325.2**
Total consideration	**$ 921.7**

The equity consideration was calculated based on the number of shares issued at $8.00 per share and determined as follows:

		Fair Value Equity Consideration
		($ in millions, shares in thousands)
ContextLogic common shares issued to consummate the US Salt Acquisition		15,480.4
Holdings preferred units issued to consummate the US Salt Acquisition		25,175.6
Total shares issued		**40,656.0**
Price per share issued	$	8.00
Fair value of the equity consideration	**$**	**325.2**

The Company has applied the acquisition method of accounting in accordance with ASC Topic 805, *Business Combinations*, and recognized assets acquired and liabilities assumed at their fair values as of the Closing Date, with the excess consideration transferred recorded to goodwill. The Company is continuing to obtain information to complete its valuation of certain assets and liabilities. Preliminary estimates have been recorded and additional adjustments may be recorded to the fair value of intangible assets, property, plant and equipment, goodwill and deferred income taxes among other items during the measurement period, a period not to exceed 12 months from the Closing Date.

The following table summarizes the preliminary acquisition date fair value of tangible and intangible assets acquired, net of liabilities assumed as part of the US Salt Acquisition:

		Fair Value
		(in millions)
Cash and cash equivalents	$	11.3
Prepaid expenses and other current assets		0.9
Accounts receivable		13.4
Inventory		12.7
Property, plant and equipment		396.7
Intangible assets		388.0
Right-of-use asset		1.5
Other noncurrent assets		5.2
Total assets		**829.7**
Accrued liabilities		4.2
Accounts payable		6.8
Current portion of lease liability		0.7
Current maturities of long-term debt		0.3
Deferred tax liability		43.2
Lease liabilities, non-current		0.8
Net assets acquired		**773.7**
Goodwill		148.0
Total net assets acquired	**$**	**921.7**

The details on the methodology and significant inputs used for fair value of valuation are outlined below.

Goodwill

Preliminary allocation of consideration transferred resulted in $148.0 million in goodwill. The goodwill is amortizable for tax purposes. The factors contributing to the recognition of the amount of goodwill are based on several strategic and synergistic benefits that are expected to be realized from the acquisition.

Inventory

The fair value of inventory was determined by the market selling price of the inventory, less the remaining manufacturing and selling costs and a normal profit margin on those manufacturing and selling efforts. The fair value of inventory has been stepped up by $1.1 million. This amount has been fully amortized to cost of sales to align with US Salt's historical inventory turnover.

Property, Plant and Equipment

The fair value of property, plant and equipment of $396.7 million, of which of $310.0 million was salt reserves, was determined using cost and market approaches. The cost approach reflects the amount that would be required to replace the asset to service capacity. This approach was used where there was historical data available. Where there was no historical data available the market approach was used which reflects recent sales of identical or comparable assets.

Intangible Assets

The fair value of acquired intangible assets was $388.0 million. The fair value of customer relationships was determined using the multi-period excess earnings method. Key assumptions under this method are the revenue growth rate, adjusted EBITDA margin, customer attrition rate, discount rate, tax rate and contributory asset charges. The fair value of trade names were determined using the relief from royalty method. Key assumptions under this method are future cash flow estimates, royalty rate and discount rate. The fair value of permits were determined using the income approach method. Key assumptions under this method are future economic benefits and discount rate.

	Estimated Useful Life	**Estimated Asset Fair Value**
	(in years)	**(in millions)**
Trade names and trademark	15	$ 28.0
Permits	10	100.0
Customer relationships	15	260.0
Identifiable intangible assets, net		**$ 388.0**

Debt

ContextLogic paid off the outstanding debt and related fees and balances of US Salt on the Closing Date amounting to $209.7 million.

Pro Forma Financial Information

The following unaudited pro forma information presents the net sales and earnings as if the US Salt Acquisition occurred on January 1, 2025. As a result, the unaudited pro forma financial information does not require predecessor and successor periods because the transaction, the related combination of the Company and US Salt, and the new basis applied in accordance with acquisition accounting is reflected for the entirety of the two periods presented.

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2025	**2026**	**2025**	**2026**
	(in millions)	**(in millions)**	**(in millions)**	**(in millions)**
Pro forma net sales	$ 33.8	$ 33.6	$ 66.1	$ 66.0
Pro forma net (income) loss	7.2	8.9	(5.9)	16.8
Pro forma net (income) attributable to controlling interest	7.2	8.9	(5.9)	16.8
Pro forma net loss attributable to noncontrolling interest	—	—	—	—

The unaudited pro forma financial information for the three months and six months ended June 30, 2025 and 2026 include adjustments to reflect the increased tangible asset depreciation, intangible asset amortization, and interest expense related to the new debt assumed. There were no recurring direct transaction costs incurred in connection with the US Salt Acquisition.

The unaudited pro forma financial information does not assume any impacts from net sales, cost or other operating synergies that could be generated as a result of the US Salt Acquisition. The unaudited pro forma financial information is for informational purposes only and is not indicative of the results of operations that would have been achieved had the US Salt Acquisition been consummated on January 1, 2025. The unaudited pro forma results may not necessarily reflect the actual results of operations that would have been achieved nor are they necessarily indicative of future results of operations.

NOTE 4. REVENUE

Revenue recognition

Nature of Revenue Source - The Company manufactures and sells a range of branded and private label evaporated salt products to nationwide retailers, pharmaceutical companies, foodservice operators, and independent distributors. When the Company enters into a sale arrangement with a customer, it believes it is probable that it will collect substantially all the consideration to which it will be entitled in exchange for the goods that will be transferred to the customer. The Company’s customer contracts identify the product, quantity, price, payment terms, and final delivery terms. Payment terms sometimes include early-pay discounts. Although some payment terms may be extended, no terms beyond one year are granted at contract inception.

The Company determines revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, the Company satisfies a performance obligation

Performance Obligations - A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in FASB ASC 606, *Revenue from Contracts with Customers*. The contract's transaction price is allocated to the performance obligations and recognized as revenue when the performance obligations are satisfied. Substantially all our contracts are of a short-term nature and contain a single performance obligation. Because the Company’s agreements have an expected duration of one year or less, the Company has elected the practical expedient in ASC 606-10-50-14(a) to not disclose information about its remaining performance obligations.

Shipping and handling costs associated with outbound freight, including shipping and handling costs after control over a product is transferred to a customer are accounted for as a fulfillment cost as incurred and are not considered to be a separate performance obligation. Shipping and handling costs recorded as a component of cost of sales were approximately $2.6 million and $2.5 million for the three months ended June 30, 2026 (Successor) and June 30, 2025 (Predecessor), respectively. Shipping and handling costs recorded as a component of cost of sales were approximately $3.5 million, $1.3 million, and $4.8 million for the period from February 27, 2026 to June 30, 2026 (Successor), the period from January 1, 2026 to February 26, 2026 (Predecessor), and the six months ended June 30, 2025 (Predecessor), respectively.

Contract Estimates - Most contracts include some form of variable consideration. The most common forms of variable consideration include discounts, rebates, and sales returns and allowances. Variable consideration is treated as a reduction in revenue when product revenue is recognized. The Company uses the most likely amount method to determine the variable consideration. The Company believes there will not be significant changes to estimates of variable consideration when any related uncertainties are resolved with customers. The Company reviews and updates its estimates and related accruals of variable consideration each reporting period based on the terms of the agreements, historical experience, and any recent changes in the market. Any uncertainties in the ultimate resolution of variable consideration due to factors outside of the Company’s influence are typically resolved within a short timeframe therefore not requiring any additional constraint on the variable consideration.

Approximately 99.8% of the Company’s net sales are generated from North America, and 92.5% and 92.4% of which is from domestic sales for the three months ended June 30, 2026 (Successor) and June 30, 2025 (Predecessor), respectively. Approximately 99.7%, 99.8%, and 99.7% of the Company’s net sales are generated from North America, and 92.6%, 94.1%, and 92.3% of which is from domestic sales for the period from February 27, 2026 to June 30, 2026 (Successor), the period from January 1, 2026 to February 26, 2026 (Predecessor), and the six months ended June 30, 2025 (Predecessor), respectively. The Company offers customers limited right of return for its non-conforming products in the event of defects. Customer remedies may include either a cash refund or product exchange. Accordingly, the estimated right of return and related refund liability is recorded as a reduction in net sales. Return estimates are reviewed and updated in each reporting period based on historical sales and return experiences. Contract asset and liability balances as of June 30, 2026 (Successor) and December 31, 2025 (Predecessor) are immaterial.

Revenue disaggregation

The Company has vertically integrated operations under which the Company solution mines, manufactures, processes, packages, markets, distributes and sells salt either as packaged products prepared on-site at the Watkins Glen, New York facility or as non-packaged products which are shipped in bulk or packaged at a third party facility. The following table disaggregates revenue between these two product categories:

	Successor		Predecessor		
	Three Months Ended June 30, 2026	Period from February 27, 2026 to June 30, 2026	Period from January 1, 2026 to February 26, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
	(in millions)	(in millions)	(in millions)	(in millions)	(in millions)
Packaged	$ 29.8	$ 40.1	$ 17.5	$ 29.9	$ 58.0
Non-packaged	3.8	5.6	2.8	3.9	8.1
Total net sales	$ 33.6	$ 45.7	$ 20.3	$ 33.8	$ 66.1

NOTE 5. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT

GAAP establishes a three-tier fair value hierarchy to classify and disclose all assets and liabilities measured at fair value on a recurring basis, as well as assets and liabilities measured at fair value on a non-recurring basis, in periods subsequent to their initial measurement. The hierarchy requires the Company to use observable inputs when available and to minimize the use of unobservable inputs when determining fair value. The three tiers are defined as follows:

Level 1 - Observable inputs based on unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and

Level 3 - Unobservable inputs for which there is little or no market data, and which require us to develop our own estimates and assumptions reflecting those that a market participant would use.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. There were no instruments measured at fair value on a recurring basis using significant unobservable inputs during the period from February 27, 2026 to June 30, 2026 (Successor), the period from January 1, 2026 to February 26, 2026 (Predecessor), and the six months ended June 30, 2025 (Predecessor). Related to the US Salt Acquisition, the Company applied fair value measurements on a nonrecurring basis to the assets acquired and liabilities assumed as of the acquisition date. Refer to Note 3, Business Combinations, for further details.

The valuation techniques that may be used to measure fair value are as follows:

- Market approach - Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- Income approach - Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about those future amounts; and
- Cost approach - Based on the amount that currently would be required to replace the service capacity of an asset (i.e., replacement cost).

The Company's financial instruments consist of cash equivalents, accounts receivable, accounts payable, and accrued liabilities. Cash equivalents' carrying value approximates fair value at the balance sheet dates, due to the short period of time to maturity. Accounts receivable, accounts payable, and accrued liabilities carrying values approximate fair value due to the short time to the expected receipt or payment date.

As of June 30, 2026 (Successor), the Company's "cash and cash equivalents" line item was comprised of cash deposited with banks and money market funds. The Company classifies cash equivalents within Level I of the fair value hierarchy because they were valued using quoted prices in active markets.

A breakdown of cash and cash equivalents is as follows:

	Successor June 30, 2026		Predecessor December 31, 2025	
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
	(in millions)		(in millions)	
Cash	$ 2.5	$ 2.5	$ 0.2	$ 0.2
Money market funds	8.5	8.5	10.6	10.6
Total cash and cash equivalents	$ 11.0	$ 11.0	$ 10.8	$ 10.8

Disclosure of Fair Values

The carrying amounts of accounts receivable, accounts payable and accrued expenses approximate their fair value as of June 30, 2026 (Successor) and December 31, 2025 (Predecessor) due to the relatively short duration of these instruments. Additionally, the carrying value of debt associated with the term loan facility approximates fair value because the interest rates are variable and reset on relatively short durations to then-market rates.

NOTE 6: ACCOUNTS RECEIVABLE

Accounts receivable, net of allowance for expected credit losses, is as follows:

	Successor June 30, 2026 (in millions)	Predecessor December 31, 2025 (in millions)
Accounts receivable	$ 13.7	$ 12.2
Less: allowance for expected credit losses	(0.1)	(0.1)
Total	$ 13.6	$ 12.1

A roll forward of the allowance for expected credit losses is presented below:

	Predecessor Six Months Ended June 30, 2025 (in millions)
Balance as of December 31, 2024 (Predecessor)	$ 0.4
Add: bad debt expenses	—
Less: write-offs	—
Balance as of June 30, 2025 (Predecessor)	$ 0.4

	Predecessor Period from January 1, 2026 to February 26, 2026 (in millions)
Balance as of December 31, 2025 (Predecessor)	$ 0.1
Add: bad debt expenses	—
Less: write-offs	—
Balance as of February 26, 2026 (Predecessor)	$ 0.1

	Successor Period from February 27, 2026 to June 30, 2026
Balance as of February 27, 2026 (Successor)	$ 0.1
Add: bad debt expenses	—
Less: write-offs	—
Balance as of June 30, 2026 (Successor)	$ 0.1

NOTE 7: INVENTORIES

Inventories are as follows:

	Successor June 30, 2026 (in millions)	Predecessor December 31, 2025 (in millions)
Finished Goods	$ 3.5	$ 2.4
Packaging and supplies	6.3	5.5
Maintenance materials	3.6	3.0
Total	$ 13.4	$ 10.9

Maintenance materials exclude certain materials of $5.4 million and $5.2 million as of June 30, 2026 (Successor) and December 31, 2025 (Predecessor), respectively, that are not expected to be consumed within the next twelve months. These amounts are classified under other inventories in the Condensed Consolidated Balance Sheets. Finished goods are shown at net realizable amount which includes write downs for obsolescence of $0.1 million and $0.3 million as of June 30, 2026 (Successor) and December 31, 2025 (Predecessor), respectively.

NOTE 8: PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net are as follows:

	Successor	Predecessor
	June 30, 2026	December 31, 2025
	(in millions)	(in millions)
Land	$ 6.7	$ 2.0
Buildings and improvements	17.7	20.1
Machinery and equipment	62.5	69.8
Salt reserves	310.0	275.3
Construction in process	2.3	2.2
	399.2	369.4
Accumulated depreciation and depletion	(3.6)	(48.0)
Total	$ 395.6	$ 321.4

Depreciation and depletion expense are included in the following financial statement line items in the Condensed Consolidated Statements of Operations:

	Successor		Predecessor		
	Three Months Ended June 30, 2026	Period from February 27, 2026 to June 30, 2026	Period from January 1, 2026 to February 26, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
	(in millions)	(in millions)	(in millions)	(in millions)	(in millions)
Cost of sales	$ 2.7	$ 3.6	$ 2.4	$ 3.2	$ 6.4
Selling expense	—	—	—	—	—
General and administrative expense	—	—	—	0.1	0.1
Total	$ 2.7	$ 3.6	$ 2.4	$ 3.3	$ 6.5

The Company recognized a $0.1 million loss from disposal on the Condensed Consolidated Statements of Operations for the three months ended June 30, 2026 (Successor) and no such loss for the three months ended June 30, 2025 (Predecessor). The Company recognized a $0.1 million loss from disposal on the Condensed Consolidated Statements of Operations for the period from February 27, 2026 to June 30, 2026 (Successor), no such loss for the period from January 1, 2026 to February 26, 2026 (Predecessor), and an insignificant loss from disposal for the six months ended June 30, 2025 (Predecessor).

NOTE 9: GOODWILL AND INTANGIBLE ASSETS

Goodwill

The carrying amount of goodwill was $148.0 million and $28.1 million as of June 30, 2026 (Successor) and December 31, 2025 (Predecessor), respectively. There was no impairment of goodwill for the three months ended June 30, 2026 (Successor) and June 30, 2025 (Predecessor). There was no impairment of goodwill for the period from February 27, 2026 to June 30, 2026 (Successor), the period from January 1, 2026 to February 26, 2026 (Predecessor), and the six months ended June 30, 2025 (Predecessor).

Intangible Assets

Intangible assets and related accumulated amortization which are included in intangible assets, net in the Condensed Consolidated Balance Sheets are as follows:

	Successor		
	June 30, 2026		
	Gross Carrying Amount	Accumulated Amortization	Amount
		(in millions)	
Tradename	$ 28.0	$ (0.6)	$ 27.4
Customer relationships	260.0	(5.8)	254.2
Permits	100.0	(3.3)	96.7
Total	$ 388.0	$ (9.7)	$ 378.3

	Predecessor		
	December 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Amount
		(in millions)	
Tradename	$ 21.8	$ (6.7)	$ 15.1
Customer relationships	2.4	(0.7)	1.7
Total	$ 24.2	$ (7.4)	$ 16.8

Amortization expense of the finite-lived intangible assets for the three months ended June 30, 2026 (Successor) and June 30, 2025 (Predecessor) was $7.3 million and $0.4 million, respectively, and is included in general and administrative expenses in the Condensed Consolidated Statements of Operations. Amortization expense of the finite-lived intangible assets for the period from February 27, 2026 to June 30, 2026 (Successor), the period from January 1, 2026 to February 26, 2026 (Predecessor) and the six months ended June 30, 2025 (Predecessor) was $9.7 million, $0.3 million, and $0.8 million, respectively, and is included in general and administrative expenses in the Condensed Consolidated Statements of Operations. The estimated net amortization expense for the finite-lived intangible assets is $14.6 million for the remainder of 2026, $29.2 million per year for each of the four years ending December 31, 2027 through 2030, and $246.9 million thereafter. The remaining useful lives for the intangible assets is 10 years for permits and 15 years for trademarks and customer relationships.

NOTE 10. BALANCE SHEET COMPONENTS

Prepaid expenses and other current assets consist of the following:

	Successor June 30, 2026 (in millions)	Predecessor December 31, 2025 (in millions)
Prepaid insurance	$ 0.7	$ 0.7
Other prepaid expenses	0.8	0.3
Other current assets	0.2	—
Total	$ 1.7	$ 1.0

Accrued liabilities consist of the following:

	Successor June 30, 2026 (in millions)	Predecessor December 31, 2025 (in millions)
Accrued payroll, bonus, and employee benefits	$ 3.1	$ 3.9
Contingent loss accrual(1)	3.5	—
Accrued services(2)	1.3	0.9
Rail car repair accrual(3)	0.8	0.7
Well capping accrual	0.3	0.3
Accrued insurance services	—	0.5
Other accruals	0.5	0.1
Total	$ 9.5	$ 6.4

(1) Estimated contingent loss related to a legal case settlement. Refer to Note 14, Commitments and Contingencies, for further information.

(2) Accrued services primarily consist of professional services related to investigating potential acquisitions and other routine services.

(3) Rail car accrual represents the expected cost of disposing of or repairing leased railcars.

NOTE 11: LEASES

The Company enters into leases for warehouses, rail cars, forklifts, office equipment, office space and certain other types of property and equipment. The leases consist of operating and financing leases expiring in various years through 2030.

The elements of the lease costs were as follows:

	Successor	Successor	Predecessor		
	Three Months Ended June 30, 2026 (in millions)	Period from February 27, 2026 to June 30, 2026 (in millions)	Period from January 1, 2026 to February 26, 2026 (in millions)	Three Months Ended June 30, 2025 (in millions)	Six Months Ended June 30, 2025 (in millions)
Operating lease expense:					
Operating lease expense	$ 0.2	$ 0.3	$ 0.2	$ 0.2	$ 0.4
Short term lease expense	$ 0.1	$ 0.1	$ —	$ 0.1	$ 0.3
Variable lease expense	0.3	0.4	0.2	0.2	0.4
Total lease expense	$ 0.6	$ 0.8	$ 0.4	$ 0.5	$ 1.1

Total finance lease expense for the three months ended June 30, 2026 (Successor) and June 30, 2025 (Predecessor) was insignificant. Total finance lease expense for the period from February 27, 2026 to June 30, 2026 (Successor), the period from January 1, 2026 to February 26, 2026 (Predecessor), and for the three months ended June 30, 2025 (Predecessor) was $0.1 million, insignificant, and $0.1 million, respectively.

Lease term and discount rate information related to leases were as follows:

	Successor June 30, 2026	Predecessor December 31, 2025
Weighted-average remaining lease term (in years)		
Operating leases	1.88	2.05
Finance leases	3.41	3.84
Weighted-average discount rate		
Operating leases	7.51%	9.81%
Finance leases	7.36%	10.53%

Supplemental cash flow information related to leases was as follows:

	Successor	Predecessor	
	Period from February 27, 2026 to June 30, 2026	Period from January 1, 2026 to February 26, 2026	Six Months Ended June 30, 2025
	(in millions)	(in millions)	(in millions)
Cash paid for amounts included in the measurement of lease liabilities			
Operating cash flows from finance lease (interest payments)	$ —	$ —	$ —
Operating cash flows from operating leases	0.3	0.2	0.4
Financing cash flows from finance lease	—	—	—
Right-of-use assets obtained in exchange for lease liabilities			
Operating leases	$ —	$ —	$ 0.3
Finance leases	—	—	0.1

Future maturities of lease liabilities are as follows:

	Successor June 30, 2026	
	Operating Leases	Finance Leases
Year ending December 31,	(in millions)	
2026	$ 0.4	$ 0.1
2027	0.4	0.2
2028	0.1	0.1
2029	0.1	0.1
2030	—	—
Thereafter	—	—
Total future undiscounted lease payments	1.0	0.5
Imputed interest	(0.2)	(0.1)
Present value of lease payments	0.8	0.4
Current portion	(0.6)	(0.1)
Long-term portion of lease payments	$ 0.2	$ 0.3

NOTE 12: LONG TERM DEBT

Long-term debt consists of the following:

	Successor		Predecessor	
	June 30, 2026		December 31, 2025	
	(in millions)		(in millions)	
Term loan	$	215.0	$	206.7
Unamortized debt discount and issuance		(3.5)		(1.3)
Current portion		(2.1)		(2.3)
Long-term portion	$	209.4	$	203.1

Ares Capital Credit Agreement (Predecessor)

In July 2021, US Salt entered into a credit agreement with Ares Capital Corporation, as the administrative agent, and other parties thereto. The credit agreement consists of a $232.0 million term loan, and up to $25.0 million of revolving line of credit.

Interest rate for the term loan and revolving line of credit as of December 31, 2025 (Predecessor) was 9.4%, which was SOFR plus 5.40%. Interest rate for the revolving line of credit is the greater of 4.50% plus prime rate, NYFRB (New York Federal Reserve Bank) rate plus 5.00% or SOFR (subject to .75% floor) plus 5.50%-5.65%.

The term loan requires quarterly principal payments of $0.6 million commencing on March 31, 2022 through maturity date of July 19, 2028, at which time the remaining principal balance is due. The term loan is subject to mandatory excess cash flow payments commencing for the year ended December 31, 2022 as defined in the credit agreement, not to exceed $5 million for any fiscal year. As of December 31, 2025 (Predecessor), the Company was not required to make additional term loan repayments due to Excess Cash Flow for the year ended December 31, 2025 (Predecessor). The revolving line of credit expires on July 19, 2026 and is subject to commitment fee of 0.50% per annum. The Company had no borrowings outstanding on the revolving line of credit as of December 31, 2025 (Predecessor). The unused amount of credit available under this facility is $25.0 million as of December 31, 2025 (Predecessor).

The term loan and the revolving line of credit are secured by substantially all of the assets of the Company and subject to certain financial covenants. The Company was in compliance with all financial covenants as of December 31, 2025 (Predecessor).

In relation to the credit agreement, the Company paid debt issuance cost of $5.1 million, which is amortized over the life of the credit agreement using effective interest rate of 6.83%. Amortization of debt issuance cost for the three and six months ended June 30, 2025 (Predecessor) was $0.2 million and $0.4 million, respectively, and is included in interest expense in the Condensed Consolidated Statements of Operations.

In February 2026, the Company paid off the $209.7 million remainder of this credit agreement and related accrued interest upon the consummation of the US Salt Acquisition.

Wilmington Trust Credit Agreement (Successor)

In February 2026, Holdings entered into the Credit Agreement with Wilmington Trust, National Association, as administrative agent, and the Lenders thereto (the "Wilmington Trust Credit Facility"), which consists of a $215.0 million term loan facility and an up to $25.0 million revolving credit facility.

Interest rate for the Initial Term Loans and Revolving Loans as of June 30, 2026 was 7.98%, which was SOFR plus 4.25%. Interest rate for the revolving line of credit is at a base rate or a term SOFR rate plus an applicable margin between 4.00% and 4.50%, depending on the Borrower's Consolidated First Lien Net Leverage Ratio (as defined in the Credit Agreement).

The term loan requires quarterly principal payments of $0.5 million with the first payment due on September 30, 2026 through the maturity date of February 26, 2033, at which time the remaining principal balance is due. The term loan is subject to mandatory Excess Cash Flow ("ECF") payments commencing for the year ended December 31, 2027. The ECF payments are calculated by multiplying the Applicable ECF Percentage (as defined in the Credit Agreement) against the fiscal year's ECF (as defined in the Credit Agreement) to the extent that ECF exceeds the greater of $9.5 million and 15.0% of TTM EBITDA (as defined in the Credit Agreement). The Applicable ECF Percentage is determined based on the Consolidated First Lien Net Leverage Ratio (as defined in the Credit Agreement) as of the last day of the fiscal year as follows: 0% if less than or equal to 2.50x; 25% if greater than 2.50x but less than or equal to 3.00x; and 50% if greater than 3.00x. These ECF payments are due within ten business days after delivery of both the annual audited financial statements and the related Compliance Certificate (as defined in the Credit Agreement).

The revolving line of credit expires on February 26, 2033 and is subject to a commitment fee on the unused available commitment between 0.375% and 0.50% per annum, determined by the Borrower's Consolidated First Lien Net Leverage Ratio. The Company had no borrowings outstanding on the revolving line of credit at June 30, 2026 (Successor). The unused amount of credit available under this facility is $25.0 million as of June 30, 2026 (Successor).

The term loan and revolving line of credit are secured by substantially all of the assets of US Salt and subject to certain financial covenants which are not due until 60 days after quarter-end for 2026 and 45 days after quarter-end beginning in 2027. The Company was in compliance with all financial covenants as of June 30, 2026 (Successor).

In relation to the Wilmington Trust Credit Agreement, aggregate debt discount and debt issuance costs totaled $3.6 million, which is amortized over the life of the credit agreement using an effective interest rate of 8.27%. Amortization of debt discount and issuance cost for the three months ended June 30, 2026 (Successor) and for the period from February 27, 2026 to June 30, 2026 (Successor) was $0.1 million and $0.1 million, respectively, and was reported as interest expense in the Condensed Consolidated Statements of Operations.

The Credit Agreement contains customary affirmative and negative covenants, conditions to borrowing and events of default. The Company was in compliance with all financial covenants as of June 30, 2026 (Successor).

The following table summarizes the annual maturities of the principal amount of total debt due:

	Successor	
	June 30, 2026	
Year ending December 31,	(in millions)	
Remaining 2026	$	1.1
2027		2.2
2028		2.2
2029		2.2
2030		2.2
Thereafter		205.1
Total maturities	$	215.0

NOTE 13: ASSET RETIREMENT OBLIGATIONS

The following summarizes the changes in the asset retirement obligation during the period:

Balance as of December 31, 2024 (Predecessor)	$	0.8
Liabilities incurred		—
Changes in estimated obligations		—
Accretion of expense		—
Balance as of June 30, 2025 (Predecessor)	$	0.8
Balance as of December 31, 2025 (Predecessor)	$	0.8
Liabilities incurred		—
Changes in estimated obligations		—
Accretion of expense		—
Balance as of February 26, 2026 (Predecessor)	$	0.8
Balance as of February 27, 2026 (Successor)	$	0.8
Liabilities incurred		—
Changes in estimated obligations		—
Accretion of expense		—
Balance as of June 30, 2026 (Successor)	$	0.8

In connection with certain contracts, the Company is required to hold surety bonds. These bonds are supported by a general agreement of indemnity in favor of the sureties. As of June 30, 2026 (Successor) and December 31, 2025 (Predecessor), the Company had surety bonds outstanding with an aggregate stated amount of $1.1 million. The bonds relate primarily to the salt well plugging projects and generally expire and are renewed annually.

The Company's estimated abandonment costs related to plugging and abandonment of injection wells under these surety bonds are reported as part of asset retirement obligation in the Condensed Consolidated Balance Sheets. As of June 30, 2026 (Successor) and December 31, 2025 (Predecessor), management has not identified any defaults, and no accrual related to these bonds has been recorded. Bond premiums paid are recorded as prepaid expenses and amortized over the period of benefit.

NOTE 14. COMMITMENTS AND CONTINGENCIES

IPO Securities Class Action Settlement

As previously disclosed, the Company, its directors, certain of its officers and the underwriters named in its initial public offering ("IPO") registration statement were named as defendants in a consolidated class action complaint pursuant to Sections 11 and 15 of the Securities Act first filed in May 2021.

In May 2026, the Company entered into an agreement to settle these matters for $3.5 million in cash, without admission of liability or wrongdoing. The Company recorded an accrual of $3.5 million during the period ending February 27, 2026 to June 30, 2026 (Successor), which is included in accrued liabilities in the Condensed Consolidated Balance Sheet. Under the agreement, an initial $1.8M of the settlement was placed in an interest-bearing escrow account after June 30, 2026 but before the date of filing. The Company expects to use these escrowed funds and existing cash on hand to fund the settlement payment when it becomes due. Upon acceptance by the Court and payout of the settlement amount, this matter will be fully resolved.

Legal Contingencies and Proceedings

In August 2021, a shareholder derivative action purportedly brought on behalf of the Company, *Patel v. Szulczewski*, was filed in the U.S. District Court for the Northern District of California alleging that the Company's directors and officers made or caused the Company to make false and/or misleading statements about the Company's business operations and financial prospects in various public filings. Plaintiff asserts claims for breach of fiduciary duties, unjust enrichment, abuse of control, gross mismanagement, waste of corporate assets, violations of Section 14(a) of the Exchange Act, and for contribution under Sections 10(b) and 21D of the Exchange Act and is seeking monetary damages. This matter is currently stayed. The Company believes this lawsuit is without merit and it intends to vigorously defend it. Based on the preliminary nature of the proceedings in these cases, the Company cannot estimate a range of potential losses at this point in time.

As of June 30, 2026 (Successor), in the opinion of management, there were no other legal contingency matters that arose in the ordinary course of business, either individually or in aggregate, that would have a material adverse effect on the financial position, results of operations, or cash flows of the Company. Given the unpredictable nature of legal proceedings, the Company bases its estimate on the information available at the time of the assessment. As additional information becomes available, the Company will reassess the potential liability and may revise the estimate.

NOTE 15. EQUITY AND NONCONTROLLING INTEREST

Members' Equity (Predecessor)

Members' units

US Salt was authorized to issue USPH Class A units and USPH Class B units. There was no set number for authorized units and no par value was assigned to USPH Class A and USPH Class B units. US Salt was able to issue additional units, including USPH Class B units as management incentive units as approved by its Board of Directors. USPH Class A units represented capital interests and were entitled to priority distributions and liquidation proceeds until invested capital had been returned. USPH Class B units were generally issued as management incentive (profit) interests and participated in US Salt's residual economics only after applicable participation thresholds and vesting conditions were satisfied.

Voting rights

The authority to manage the business, make decisions, and act on behalf of US Salt resided exclusively with its Board of Directors, except for certain limited matters specifically designated as board of governance exceptions. Holders of USPH Class A units or USPH Class B units did not possess voting, consent, or approval rights with respect to the management or governance of US Salt, other than with respect to these limited exceptions.

The composition of US Salt's Board of Directors included both Emerald Lake-designated Managers ("ELCM Managers") and Additional Managers. For any meeting of its Board of Directors or its committees, at least one ELCM Manager had to be present to constitute a quorum. Actions of its Board of Directors was able to be approved by a majority of votes cast at a meeting where a quorum is present. The ELCM Managers collectively held a number of votes equal to the greater of (i) the number of ELCM Managers present at the meeting or (ii) one plus the number of non-ELCM Managers present. Each ELCM Manager was entitled to cast a proportionate share of these collective ELCM votes. Each Additional Manager held one vote. If no ELCM Manager remained present during a meeting, the quorum was lost and no further business was able to be conducted until a quorum was re-established. The authorized number of Managers on US Salt's Board of Directors was six members or such other number as determined from time to time by the Board.

Distribution and participation rights

Distributions were made at the discretion of the Board of Directors, subject to the applicable law and US Salt's operating agreement. Distributions, other than tax distributions, were subject to contractual priority waterfall. Amounts were distributed first to holders of USPH Class A units until the unreturned capital associated with USPH Class A units had been reduced to zero. Thereafter, remaining distributions were made to holders of USPH Class A units and participating USPH Class B units on a pro rata basis based on the number of such units outstanding. Certain USPH Class B units were subject to participation thresholds (as discussed below) and vesting conditions and were not entitled to participate in distributions until such thresholds had been satisfied and vesting has occurred. As of December 31, 2025 (Predecessor), the total unreturned capital of Class A unitholders before distributions was $193.6 million. There were no tax distributions to USPH Class A unitholders for the period from January 1, 2026 to February 26, 2026 (Predecessor) and $2.1 million and $3.5 million of tax distributions to USPH Class A unitholders for both the three months and six months ended June 30, 2025 (Predecessor).

Liquidation rights

Upon liquidation, dissolution, or winding up of US Salt, its assets remaining after the settlement of liabilities were distributed in accordance with the same priority framework applicable to non-liquidating distributions. Liquidation proceeds were distributed first to USPH Class A units until the return of unreturned capital, and thereafter to USPH Class A units and participating USPH Class B units on a pro rata basis. USPH Class B units that had not satisfied applicable participation thresholds or vesting requirements did not participate in liquidation proceeds. Neither class had liquidation preference beyond the contractual priority described above.

Repurchase rights

US Salt held the right, at its discretion, to repurchase outstanding units held by unitholders in accordance with the operating or related grant agreements. US Salt was able to settle the repurchase or redemption price either in cash or through the transfer of equity interests issued by one of its subsidiaries. If the subsidiary repurchased or redeemed those securities subsequently, the repurchase redemption price would have been equal to the amount of cash or notes, if applicable, equal to the aggregate repurchase or redemption price of the Units that were redeemed or repurchased.

USPH Class B units

Based on the terms of Class B unit grant agreements, USPH Class B units were issued to certain employees and members of the Board of Directors of US Salt. In each of the grant agreements, 40% of the total USPH Class B units granted had service conditions, which was service-based vesting ("time-vesting incentive units"), and 60% of the total USPH Class B units granted had both service and performance conditions ("performance-based incentive units").

Time-vesting incentive units

Time-vesting incentive units vested over the requisite service period of five years, subject to the recipient remaining an employee or member of the Board of Directors of US Salt through each vesting date. For the period from January 1, 2026 to February 26, 2026 (Predecessor), $0.1 million expense was recognized for the time-vesting incentive units over the requisite service period.

Performance-based incentive units

The performance-based incentive units were able to vest upon the consummation of a sale of US Salt, provided the participants had remained continuously employed or provided services from the vesting start date through the sale date. Vesting occurred in three tranches as follows: (i) one-third of the performance-based incentive units vested upon the consummation of a sale of the US Salt if the Investor Return was equal to or greater than 2.0; (ii) an additional one-third of the performance-based incentive units vested upon the consummation of a sale of US Salt if the Investor Return was equal to or greater than 2.5; and (iii) an additional one-third of the performance-based incentive units vested upon the consummation of a sale of US Salt if the Investor Return was equal to or greater than 3.0.

Vested USPH Class B units were subject to a "Participation Threshold" before distribution of profit or distribution of sales proceeds from the sale of US Salt. Unless otherwise determined by the Board of Directors of US Salt, on the date of each grant of USPH Class B units, pursuant to a grant made under a Class B unit grant agreement or similar agreement, the Board of Directors of US Salt would establish an initial "Participation Threshold" amount in respect of each Class B unit granted on such date. The initial Participation Threshold in respect of an USPH Class B unit would be equal to or greater than (i) the amount that would be distributed with respect to a USPH Class A unit ratably among Class A unitholders until the aggregate unreturned capital of Class A incentive units had been reduced to zero in a hypothetical transaction in which US Salt sold all of its assets for Fair Market Value and distributed the proceeds therefrom in liquidation of US Salt (as determined immediately prior to the issuance of such USPH Class B unit, but taking into account all Capital Contributions, if any, with respect to any Unit issued as part of the issuance of such USPH Class B unit) minus (ii) the total Capital Contributions (if any) made by the holder receiving such USPH Class B unit with respect to all USPH Class B unit received by such holder as part of the same issuance. US Salt was able to periodically update the initial Participation Threshold from time to time as necessary to reflect any adjustments to the Participation Thresholds of outstanding USPH Class B unit required.

Acceleration of vesting of incentive units

Upon the occurrence of the sale of US Salt, all then outstanding time-vesting incentive units and performance-vesting incentive units which had not yet become vested became vested as of the consummation of such sale and were included in the shares acquired as part of the US Salt Acquisition. The Company elected an accounting policy to treat compensation costs due to acceleration as a result of the change in control provision included in the original terms of the awards as acquisition-related consideration transferred. Accordingly, the fair value of the accelerated portion of the awards represented by the cash or Holdings units transferred in exchange for the units subject to accelerated vesting was included in the total consideration transferred for the acquisition and no share-based compensation expense related to such acceleration was recognized in either the Predecessor or Successor periods. Refer to Note 2, Summary of Significant Accounting Policies, for further information.

Noncontrolling parent interests

US Salt owns 99% of US Salt Intermediate Holdings, LLC ("Intermediate Holdings"). The remaining 1% interest was held by Aggregator, which was controlled by Emerald Lake. Intermediate Holdings owned 100% of US Salt Holdings, LLC ("US Salt Holdings") and its operating subsidiaries. US Salt controlled Intermediate Holdings and US Salt Holdings and, accordingly, consolidated Intermediate Holdings and its subsidiaries in the accompanying consolidated financial statements.

The noncontrolling parent interest represented Aggregator’s 1% ownership interest in Intermediate Holdings, which was held by an entity other than US Salt. This interest was presented as noncontrolling parent interest in the Condensed Consolidated Statements of Operations and within equity in the Condensed Consolidated Balance Sheets. The condensed consolidated financial statements recognized the subsidiary’s assets and liabilities offset by the noncontrolling interest in total equity.

Stockholders' equity (Successor)

ContextLogic Equity

On February 25, 2026, the Company completed the Rights Offering and issued 429 thousand common shares of ContextLogic common stock to subscribers for gross proceeds of $3.4 million or $8.00 per share. In addition, in connection with the backstop agreements entered into with Abrams Capital Partners I, L.P. ("ACP I") and Abrams Capital Partners II ("ACP II", together with ACP I, "Abrams Capital"), the Company issued 190 thousand and 2,599 thousand common shares to ACP I and ACP II, respectively for gross proceeds of $22.3 million or $8.00 per share.

On February 26, 2026, the Company issued 15,480 thousand common shares as a portion of the equity consideration for the US Salt Acquisition recorded at a fair value of $123.9 million.

Noncontrolling Interest - ContextLogic Holdings LLC Units

On February 26, 2026, the Second A&R LLC Agreement became effective for ContextLogic Holdings LLC, establishing and governing the rights, preferences and obligations of each class of units of Holdings. Holdings' membership interests are represented by three classes of units: Preferred Units, Class B Common Units (comprising Class B-1 and Class B-2 series), and Class P Units. The Preferred Units are held by the Company's investors and rank senior to all other units with respect to distributions and liquidation proceeds. The Class B Common Units ("Common Units") are held by the Company and represent the primary common equity interest in Holdings. The Class P Units are profits interests and are subordinate to both the Preferred Units and Common Units. Each class of units was issued in exchange for cash or other property contributions made to Holdings by its members (the "Capital Contributions").

Class A Convertible Preferred Units

The Preferred Units were issued at $8.00 per unit (the "Class A Contribution Amount"), representing each unit's stated invested capital. Each Preferred Unit is convertible at the holder's option at any time into one Class B-2 Common Unit (subject to adjustment for stock splits, combinations, recapitalizations or similar transactions), provided that any conversion notice must cover at least the greater of (i) one-third of the converting member's then-outstanding Preferred Units or (ii)

5,000 Preferred Units.

With respect to distributions and upon liquidation or dissolution, the Preferred Units rank senior to the Common Units and Class P Units and are entitled to receive distributions pro rata based on each Class A member's relative ownership of outstanding Preferred Units until each Class A member has received a full return of its Capital Contributions in respect of its Preferred Units. Prior to any such distribution, Holdings must provide Class A members at least five (5) business days' prior written notice (a "Class A Distribution Notice") detailing the distribution amount and the comparative amount that would be distributed upon conversion into Class B-2 Common Units, giving holders the opportunity to convert prior to the distribution. Class A members that are accredited investors also hold preemptive rights to purchase their pro rata share of any new units or other equity interests issued by Holdings to Abrams Capital, BCP Special Opportunities Fund III Originations LP ("BCP") or their respective affiliates.

Class B Common Units

The Class B Common Units consist of two series: Class B-1 Common Units, which carry voting rights, and Class B-2 Common Units, which are non-voting and are issuable solely upon conversion of Class A Convertible Preferred Units. Class B-1 Common Units are held by ContextLogic directly and through its wholly-owned subsidiary Emerald Lake Pearl Acquisition Blocker, LLC. ContextLogic effectively holds all outstanding Class B-1 Common Units and, as the sole holder of voting units in Holdings, holds all voting power of Holdings. No Class B-2 Common Units are currently outstanding.

Class B members receive distributions pro rata based on each Class B member's relative ownership of outstanding Common Units, after Class A members have received a full return of their Capital Contributions, and until each Class B member has received a full return of its Capital Contributions in respect of Common Units. Thereafter, all remaining distributions are made pro rata to all members based on aggregate Common Units and, subject to any Retained Distributions (as defined below), Class P Units outstanding.

Class P Units

The Class P Units are intended to qualify as "profits interests" for U.S. federal income tax purposes. They are subordinate to both Preferred Units and Common Units in the distribution waterfall. Distributions on unvested Class P Units are retained by Holdings ("Retained Distributions") and released to Class P Unit holders only upon vesting. Any Retained Distributions attributable to forfeited units are redistributed to remaining members in accordance with the standard distribution waterfall. Refer to Note 16, Equity Award Activity, Unit-Based Compensation (Predecessor), and Stock-Based Compensation (Successor), for more information about Class P Units granted.

Noncontrolling Interest Activity

On February 26, 2026, immediately prior to the US Salt Acquisition, BCP acquired additional Preferred Units for gross proceeds of $75.0 million, which together with BCP’s previously held Preferred Units and Class A accumulated distributions (previously reflected as redeemable noncontrolling interest), converted into 19,123 thousand Preferred Units with an aggregate value of $153.0 million in conjunction with the US Salt Acquisition. Upon completion of the acquisition and implementation of the Second A&R LLC Agreement, the Preferred Units held by BCP no longer have redemption features and are therefore reflected as noncontrolling interests as a component of the Company’s equity.

On February 26, 2026, pursuant to the BCP Backstop Agreement, BCP acquired an additional 11,156 thousand Preferred Units for aggregate proceeds of $89.3 million.

On February 26, 2026, Holdings issued 25,176 thousand Preferred Units, recorded at a fair value of $201.4 million, as a portion of the equity consideration for the US Salt Acquisition.

Because the noncontrolling interest activity described above occurred in conjunction with the US Salt Acquisition, all activity is reflected as Successor equity activity in the Condensed Consolidated Statements of Stockholders’ Equity.

Net Income or Loss Allocation under HLBV

Given the preferred distribution structure described above, the Company allocates its net income or loss using the HLBV method. Under the HLBV method, the amounts reported as noncontrolling interest represent the amounts Holdings' members would hypothetically receive at each balance sheet date under the liquidation provisions of the Second A&R LLC Agreement, assuming the net assets of the funding structures were liquidated at their recorded amounts determined in accordance with GAAP. The members' interests in Holdings' results of operations are determined as the difference in noncontrolling interest at the start and end of each reporting period, after taking into account any capital transactions between Holdings and its members.

At a high level, if Holdings is in a net loss position, all net losses would be 100% attributed to the Class B Members until all Class B Capital Contribution was eroded. Then, net losses would be 100% attributed to the Class A Members.

If Holdings is in a net income position, it would be allocated first to any Business Needs (as defined in the Second A&R LLC Agreement, to the extent not already reflected in LLC’s net assets); second to restore Class A's Capital Contributions to full; third to restore Class B's Capital Contributions to full; fourth to Class P to the extent described in the Second A&R LLC Agreement; and fifth to Class B (B-1 and any converted B-2) and Class P Members on a pro-rata basis.

NOTE 16. EQUITY AWARD ACTIVITY, UNIT-BASED COMPENSATION (PREDECESSOR), AND STOCK-BASED COMPENSATION (SUCCESSOR)

Unit-Based Compensation (Predecessor)

US Salt recognized compensation expense in its condensed consolidated financial statements because its employees and members of the Board of Directors provided services to US Salt and benefited from the USPH Class B units issued to them. The USPH Class B units are issued for no consideration. Refer to Note 15, Equity and Noncontrolling Interest, for more information about the USPH Class B units.

There were no USPH Class B units granted during the period from January 1, 2026 to February 26, 2026 (Predecessor) or the six months ended June 30, 2025 (Predecessor).

The following table summarizes USPH Class B units activity for the period from January 1, 2026 to February 26, 2026 (Predecessor) and the six months ended June 30, 2025 (Predecessor):

	Predecessor		
	Period from January 1, 2026 to February 26, 2026		
	Number of Units	Weighted Average Exercise Price	Weighted Average Remaining Term
	(in thousands)		(In Years)
Balance as of December 31, 2025	17.0	$ 1,000.0	1.75
Granted	—	—	
Repurchased	—	—	
Forfeited	—	—	
Balance as of February 26, 2026	17.0	$ 1,000.0	1.59

	Predecessor		
	Six Months Ended June 30, 2025		
	Number of Units	Weighted Average Exercise Price	Weighted Average Remaining Term
	(in thousands)		(In Years)
Balance as of December 31, 2024	18.0	$ 1,000.0	2.68
Granted	—	—	
Repurchased	(0.2)	1,000.0	
Forfeited	(0.8)	1,000.0	
Balance as of June 30, 2025	17.0	$ 1,000.0	2.25

Under the valuation methodology theory underlying the option pricing model, the fair value of the USPH Class B units was comprised of intrinsic and extrinsic values. Considering the specific features and attributes of the USPH Class B units, the entire fair value of the units was comprised of the underlying extrinsic value (i.e., the present value of the potential future benefits as of the respective measurement dates) while no value was assigned to the intrinsic value for the period from January 1, 2026 to February 26, 2026 (Predecessor) and the six months ended June 30, 2025 (Predecessor).

Upon consummation of the sale of US Salt, there is no remaining unrecognized compensation expense for the time-vesting and performance-vesting USPH Class B units other than what was included as part of the consideration transferred. Refer to Note 3, Business Combinations, for further information.

Equity Award Activity (Successor)

A summary of activity under the equity plans and related information was as follows:

	Successor				
	Period from February 27, 2026 to June 30, 2026				
	Options Outstanding				RSUs Outstanding
	Number of Options (in thousands)		Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (In Years)	Number of RSUs (in thousands)
Balance as of February 27, 2026 (Successor)	363.3	$	16.95	0.1	127.5
Granted	—				50.0
Vested	—				(69.9)
Forfeited or cancelled	(363.3)	$	16.95		—
Balance as of June 30, 2026 (Successor)	—	$	—	0.0	107.6

As of June 30, 2026, 5,550 thousand shares remained available for grant under the Company's equity incentive plans.

Equity-Based Compensation Expense

Total equity-based compensation expense included in the Condensed Consolidated Statements of Operations was as follows:

	Successor		Successor		Predecessor		Predecessor		Predecessor	
	Three Months Ended June 30, 2026 (in millions)		Period from February 27, 2026 to June 30, 2026[(1)] (in millions)		Period from January 1, 2026 to February 26, 2026[(2)] (in millions)		Three Months Ended June 30, 2025[(2)] (in millions)		Six Months Ended June 30, 2025[(2)] (in millions)	
Cost of sales	$	—	$	—	$	—	$	—	$	—
Selling expense		—		—		—		—		—
General and administrative		0.1		0.2		0.1		0.1		0.2
Transaction expenses		—		0.4		—		—		—
Total equity-based compensation	$	0.1	$	0.6	$	0.1	$	0.1	$	0.2

(1) Successor information is stock-based compensation.

(2) Predecessor information is member-unit based compensation.

The Company will recognize the remaining $0.7 million of unrecognized stock-based compensation expense related to outstanding RSUs over a weighted-average period of approximately 3.4 years.

US Salt Long-Term Incentive Plan (Successor)

On April 8, 2026, US Salt adopted the LTIP, which is a performance-based incentive plan designed to attract, retain, and incentivize key employees of US Salt and its subsidiaries by providing participants with the opportunity to share in long-term EBITDA growth above a specified baseline. Awards granted under the LTIP may be settled, at the discretion of the plan administrator, in cash, shares of the Company's common stock, Preferred Units, or any combination thereof. The performance period under the LTIP began on January 1, 2026 and ends on December 31, 2030, and payment of LTIP awards, if earned, is expected to occur within 60 days following December 31, 2030. LTIP awards outstanding as of June 30, 2026 were granted on April 8, 2026 and are subject to continued service through the performance period, subject to certain forfeiture provisions, and achievement of performance conditions based on EBITDA growth above a baseline EBITDA amount. The aggregate participation rate allocated to participants as of June 30, 2026 was less than 100%, allowing room for future allocation at the plan administrator's discretion.

The awards are subject to additional provisions, including forfeiture upon certain terminations of employment or breaches of restrictive covenants and a clawback provision requiring repayment to US Salt upon certain post-payment breaches of restrictive covenants.

Determining the fair value of the LTIP liability requires judgment, including management's estimate of the most likely EBITDA performance scenario and assessment of whether achievement of the performance condition is probable. As of June 30, 2026, management determined that achievement of the applicable performance condition was probable.

For the three months ended June 30, 2026, the Company recognized stock-based compensation expense related to the LTIP of $0.8 million. For the period from February 27, 2026 to June 30, 2026, the Company recognized stock-based compensation expense related to the LTIP of $0.8 million. No awards were settled, forfeited, or modified during the three months ended June 30, 2026 and the period from February 27, 2026 to June 30, 2026. As of June 30, 2026, the Company recorded an accrued liability related to the LTIP of $0.8 million, which is included in other noncurrent liabilities in the Condensed Consolidated Balance Sheets because settlement is not expected within twelve months of June 30, 2026.

As of June 30, 2026, unrecognized compensation cost related to LTIP awards was $15.7 million for the aggregate participation rate allocated to employees. This was based on the liability measurement as of June 30, 2026 and the Company expects to recognize it ratably over the remaining requisite service period of approximately 4.5 years, subject to continued service, future changes in fair value, forfeitures, and continued assessment of whether achievement of the applicable performance condition is probable.

Class P Unit Grants (Successor)

On March 6, 2025, the Board approved, and the Company entered into, an employment agreement for Mr. Rishi Bajaj to serve as the Chief Executive Officer ("CEO"), including a revised compensation package (the "Employment Agreement"), effective March 6, 2025 (the "Effective Date"). On the Effective Date, Mr. Bajaj was awarded 1,423 thousand Class P Units, consisting of an award targeted at 1,423 thousand performance-based Class P Units which will be earned and will vest based on the achievement of specified Company stock price targets, up to a maximum of 1,898 thousand Class P Units (the "Initial Grant").

In December 2025, the Company and Mr. Bajaj entered into a Separation Agreement and Release (the "Separation Agreement"), under which the Company granted 600 thousand Class P Units in Holdings (the "Transaction Grant") to RB Strategic Holdings LP – Easter Series, an entity controlled by Mr. Bajaj. The Transaction Grant was issued to Mr. Bajaj as consideration for services rendered during his tenure as CEO and as recognition of his contributions in initiating and advancing the US Salt Acquisition.

The Transaction Grant is equity-classified under ASC 718 and was measured at fair value as of the grant date, which the Company determined to be December 7, 2025 as it was the date on which all key terms were approved and mutually understood ("Transaction Grant Date").

The Transaction Grant contains both a performance condition and a market condition, but no substantive service condition:

- Performance Condition – The US Salt Acquisition must close for the award to become eligible to vest. The award is forfeited in its entirety if the transaction does not close.
- Market Condition – Vesting requires the Company's common stock to reach $30 per share (based on a 20-day average closing price) at any point through December 31, 2030. This condition is incorporated into the fair value measurement under the Monte Carlo simulation model.
- Service Condition – The Company determined that the Separation Agreement's cooperation and restrictive covenants do not constitute a substantive service requirement. Therefore, no service-based vesting condition exists.

A Monte Carlo simulation model under the option pricing method was used to estimate the fair value of the Transaction Grant as of the grant date. The fair value incorporated a discount for lack of marketability because the Class P Units represent non-marketable, minority interests in Holdings that lack control rights, have no active trading market, and are subject to transfer restrictions. In addition, the priority distribution rights afforded to the Class A and Class B Units subordinate the Class P Units economically, resulting in greater volatility in their expected returns relative to the controlling equity interests. The total fair value granted for the Transaction Grant was $0.3 million.

The valuation assumptions utilized for the Transaction Grant as of the December 7, 2025 grant date were as follows:

Expected time to a liquidity event [1]		5.23 years
Expected volatility [2]		30%
Risk-free interest rate [3]		3.71%
Equity value [4]	$	738
Discount for lack of marketability		20%

(1) Represents the expected time to a liquidity event as of the measurement date.

(2) Given the fundamental change in the Company's business expected to result from the closing of the US Salt deal, the Company's historical stock price volatility is not a reasonable proxy for expected volatility. Accordingly, the Company estimated expected volatility using a selected group of guideline public companies, considering industry alignment, size, and stage of development, with adjustments to reflect differences in financial leverage.

(3) The risk-free rate equals the continuously compounded yield from the US Treasury's published Daily Treasury Par Yield Curve Rates as of the Transaction Grant Date for a period equal to the time from the Transaction Grant Date until the expected liquidity event, assuming linear interpolation between terms.

(4) Holdings' underlying equity value on the Transaction Grant Date was estimated to be equal to the capital contributions for the Class A Units and Class B Units on a pro forma basis assuming closing of the US Salt Acquisition.

Because the Transaction Grant contains no substantive service condition, compensation cost is recognized in full when achievement of the performance condition (closing of the US Salt Acquisition) is probable. On February 27, 2026, upon the consummation of the US Salt Acquisition, the performance condition was achieved and thus the Company recognized an expense of $0.3 million related to the vesting of the Transaction Grant. However, because the market condition has not been met, it remains outstanding and will continue to vest.

Similarly, because the Company's Board terminated Mr. Bajaj without Cause, the Initial Grant remains outstanding and will continue to vest in accordance with the terms of the Employment Agreement. However, all stock-based compensation expense related to the Initial Grant was accelerated and expensed on Mr. Bajaj's termination date in December 2025.

Changes in the Initial Grant and the Transaction Grant for the period from February 27, 2026 to June 30, 2026 (Successor), were as follows (in thousands, except per share amounts):

	Initial Grant		**Transaction Grant**	
	Number of Units	**Weighted Average Grant Date Fair Value**	**Number of Units**	**Weighted Average Grant Date Fair Value**
Nonvested at February 27, 2026 (Successor)	1,898	$ 2.39	600	$ 0.56
Vested	—	—	—	—
Forfeited	—	—	—	—
Nonvested at June 30, 2026 (Successor)	1,898	$ 2.39	600	$ 0.56

NOTE 17. INCOME TAXES

The Company holds an economic interest in Holdings and consolidates its financial position and results. The remaining ownership of Holdings not held by the Company is considered a noncontrolling interest. Holdings is treated as a partnership for income tax reporting and its members, including the Company, are liable for federal, and state income taxes based on their share of Holdings' taxable income. Prior to the acquisition, US Salt was treated as a partnership for federal and state income tax purposes, in which the partnership’s taxable income or loss was passed through to its unitholders.

The Company’s tax provision for the interim periods is determined using an estimate of the annual effective tax rate, adjusted for discrete items, if any, that arise during the period. Each quarter, the Company assesses its estimate of the annual effective tax rate, and if the estimated annual effective tax rate changes, the Company makes a cumulative adjustment in the period of change.

The Company’s quarterly tax provision and the estimate of the annual effective tax rate is subject to fluctuation due to several factors, including variability in pre-tax earnings, the geographic distribution of the pre-tax earnings, tax law changes, non-deductible expenses, such as stock-based compensation, and changes in the estimate of the valuation allowance.

The benefit for income taxes was insignificant (0.0%) for the three months ended June 30, 2026 (Successor). The benefit for income taxes was $41.9 million (127.0%) for the period from February 27, 2026 to June 30, 2026 (Successor). There was no provision for or benefit from income taxes for the period from January 1, 2026 to February 26, 2026 (Predecessor) or for the three and six months ended June 30, 2025 (Predecessor). The Company’s effective tax rate for the three months ended June 30, 2026 (Successor) differed from the U.S. statutory rate of 21% primarily due to additional valuation allowance on tax attributes generated in the period. The Company’s effective tax rate for the period from February 27, 2026 to June 30, 2026 (Successor) differed from the U.S. statutory rate of 21% primarily due to the release of valuation allowance associated with the acquisition of US Salt and additional valuation allowance on tax attributes generated during the period. The Company’s effective tax rate for the three and six months ended June 30, 2025 (Predecessor) differed from the U.S. statutory rate of 21% as US Salt was a partnership and not subject to federal or state corporate income taxes.

The Company continues to maintain a valuation allowance on its domestic net deferred tax assets which is excluded from the annual effective tax rate estimate.

The Company had no unrecognized tax benefits as of June 30, 2026 (Successor) and December 31, 2025 (Predecessor). There were no interest and penalties associated with the unrecognized tax benefits for the three months ended June 30, 2026 (Successor), the period from February 27, 2026 to June 30, 2026 (Successor), the period from January 1, 2026 to February 26, 2026 (Predecessor), and the three and six months ended June 30, 2025 (Predecessor).

The Company files income tax returns in the U.S. federal jurisdiction and various state jurisdictions. The Company is not currently under examination by income tax authorities in federal, state or other jurisdictions. All tax returns will remain open for examination by the federal and state authorities for three and four years, respectively, from the date of utilization of any net operating loss or credits. Certain tax years are subject to foreign income tax examinations by tax authorities until the statute of limitations expire.

NOTE 18. NET INCOME PER SHARE (SUCCESSOR) AND PER UNIT (PREDECESSOR)

The following table sets forth the computation of basic and diluted net loss per share:

	Successor		Predecessor		
	Three Months Ended June 30, 2026	Period from February 27, 2026 to June 30, 2026	Period from January 1, 2026 to February 26, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
	($ in millions, shares in thousands, except per share data)		($ in millions, shares in thousands, except per share data)		
Numerator:					
Net income attributable to Parent Holdings Class A unitholders (Predecessor)			$ 1.7	$ 4.7	$ 7.6
Net (loss) income attributable to common stockholders (Successor)	$ (6.3)	$ 9.0			
Denominator:					
Basic and diluted weighted average USPH Class A units outstanding (Predecessor)			190.9	190.9	190.9
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic (Successor)	45,737	45,682			
Weighted-average shares used in computing net loss per share attributable to common stockholders, diluted (Successor)	45,737	45,690			
Net income per unit attributable to USPH Class A unit, basic and diluted (Predecessor)			$ 8.91	$ 24.62	$ 39.81
Net (loss) income per share attributable to common stockholders, basic (Successor)	$ (0.14)	$ 0.20			
Net (loss) income per share attributable to common stockholders, diluted (Successor)	$ (0.14)	$ 0.20			

The following outstanding shares of potentially dilutive securities were excluded from the computation of diluted net income per share for the three months ended June 30, 2026 because including them would have had an anti-dilutive effect:

	Successor
	As of June 30, 2026
	(in thousands)
Restricted stock units outstanding	0.8
Total	0.8

Calculation of Net Income per Share (Successor)

Awards under the LTIP may be settled, at the discretion of the plan administrator, in cash, shares of the Company's common stock, Preferred Units, or any combination thereof. The Company considers the potential dilutive effect of awards that may be settled in shares of the Company's common stock in calculating diluted net income per share. No potential shares related to the LTIP were included in diluted net income per share for the three months ended June 30, 2026 (Successor) and the period from February 27, 2026 to June 30, 2026 (Successor) because no shares were contingently issuable under ASC 260 as of June 30, 2026.

Calculation of Net Income per Unit (Predecessor)

US Salt used the two-class method in its computation of net income per unit. US Salt's paid and unpaid USPH Class A units issued through subscription notes receivable were entitled to receive distributions at the same rate. Under the two-class method, US Salt's net income available to Class A unitholders was allocated between the paid and unpaid USPH Class A units on a fully-distributed basis and reflected residual net income after amounts attributed to noncontrolling interests. In the event of a net loss, US Salt determined that both paid and unpaid USPH Class A units share in the Company's losses, and they shared in the losses using the same mechanism as the distributions. US Salt also had USPH Class B units whereby vested USPH Class B units were subject to the hurdle of unreturned capital of Class A and a "Participation Threshold" before Class B unitholders received distribution of profit or distribution of sales proceeds from the sale of US Salt. For the period from January 1, 2026 to February 26, 2026 (Predecessor), the three months ended June 30, 2025 (Predecessor), and the six months ended June 30, 2025 (Predecessor), USPH Class B units were participating securities for net income per unit calculation purposes because they were able to participate in undistributed earnings with USPH Class A units. However, because the Class B unit participation was contingent on overcoming the hurdle as described above that was not objectively determinable and/or subject to management discretion, US Salt did not allocate undistributed earnings to Class B unless and until the contingency occurs. USPH Class B units were non-dilutive securities as the hurdle of unreturned capital of USPH Class A unitholders was not met as of June 30, 2025 (Predecessor).

Basic and dilutive net income or loss per unit was calculated by dividing undistributed earnings allocated to paid and unpaid USPH Class A unitholders by the weighted average member units outstanding for the respective period.

NOTE 19. RELATED PARTY TRANSACTION (PREDECESSOR)

Management Fees

On July 19, 2021, US Salt Holdings entered into a Professional Services Agreement with Emerald Lake, who would provide financial and management consulting services. Emerald Lake agreed to consult with the US Salt's Board of Directors and the oversight of management on business and financial matters including company strategy, budgeting of future investments, acquisition and divestiture strategies, and debt and equity financings. In consideration of Emerald Lake's services, US Salt Holdings paid Emerald Lake an annual management fee (the "Management Fee") the greater of $1.9 million or 1% of Emerald Lake Investment. The Management Fee was payable in cash in quarterly installments equal to the greater of $0.5 million and 0.25% of Emerald Lake Investment. The Management Fees were $0.3 million, $0.5 million, and $1.0 million for the period from January 1, 2026 to February 26, 2026 (Predecessor), the three months ended June 30, 2025 (Predecessor), and the six months ended June 30, 2025 (Predecessor), respectively, and were reported in the general and administrative expenses in the accompanying Condensed Consolidated Statements of Operations. As of December 31, 2025 (Predecessor), there were no unpaid management fees in the accompanying Condensed Consolidated Balance Sheets.

Upon the consummation of the US Salt Acquisition, the Professional Services Agreement was terminated and no further Management Fees will be incurred.

USPH Class A and Unit Subscription Receivable

The activities of USPH Class A units and subscription notes receivable from employees and Board of Directors of US Salt are summarized as follows:

	Predecessor		
	Period from January 1, 2026 to February 26, 2026		
	USPH Class A Units (in thousands)	Amount (in millions)	Subscription Receivable (in millions)
Outstanding, December 31, 2025 (Predecessor)	0.9	$ 1.0	$ 0.1
Repayment	—	—	(0.1)
Balance as of February 26, 2026 (Predecessor)	0.9	$ 1.0	$ —

	Predecessor		
	Three Months Ended June 30, 2025		
	USPH Class A Units (in thousands)	Amount (in millions)	Subscription Receivable (in millions)
Balance as of March 31,2025 (Predecessor)	0.9	$ 1.0	$ 0.1
Repayment	—	—	—
Balance as of June 30,2025 (Predecessor)	0.9	$ 1.0	$ 0.1

	Predecessor		
	Six Months Ended June 30, 2025		
	USPH Class A Units (in thousands)	Amount (in millions)	Subscription Receivable (in millions)
Outstanding, December 31, 2024 (Predecessor)	0.9	$ 1.0	$ 0.2
Repayment	—	—	(0.1)
Balance as of June 30,2025 (Predecessor)	0.9	$ 1.0	$ 0.1

NOTE 20. SEGMENT INFORMATION

The Company operates as a single segment, which is the consolidated entity. Our Chief Operating Decision Maker ("CODM") is our President. The CODM evaluates the Company's performance and allocates resources based on consolidated net income as presented in the statement of operations supplemented by significant expense categories that impact net income as outlined below. The CODM uses these varying results to prioritize reinvestment of profits in the Company.

One customer accounted for $4.7 million and $4.3 million of the Company’s total net sales during the three months ended June 30, 2026 (Successor) and June 30, 2025 (Predecessor), respectively. One customer accounted for $6.5 million, $2.5 million, and $8.6 million of the Company’s total net sales during the period from February 27, 2026 to June 30, 2026 (Successor), the period from January 1, 2026 to February 26, 2026 (Predecessor), and the six months ended June 30, 2025 (Predecessor), respectively.

The following tables provide the operating financial results of the Company:

	Successor		Predecessor		
	Three Months Ended June 30, 2026	Period from February 27 - June 30, 2026	Period from January 1 - February 26, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
	(in millions)	(in millions)	(in millions)	(in millions)	(in millions)
Net sales	$ 33.6	$ 45.7	$ 20.3	$ 33.8	$ 66.1
Cost of sales	18.4	25.8	10.9	17.0	34.1
Depreciation, amortization and depletion	10.0	13.3	2.7	3.6	7.3
Selling expense	1.0	1.4	0.6	1.0	2.0
Administrative expense	4.1	9.1	1.0	1.3	2.8
Transaction expense	1.8	22.5	0.1	0.2	0.2
Interest expense	4.4	6.2	3.0	5.4	10.8
Other segment items	0.2	0.3	0.3	0.6	1.3
Benefit from income taxes	—	(41.9)	—	—	—
Net income	$ (6.3)	$ 9.0	$ 1.7	$ 4.7	$ 7.6
Capital expenditures - purchases of property, plant and equipment	$ (1.6)	$ (2.3)	$ (1.3)	$ (1.6)	$ (4.2)

Other segment items include foreign currency gain/(loss), loss due to disposal of fixed assets, stock-based/unit-based compensation expenses, and management fees paid to Emerald Lake (Predecessor).

The measure of segment assets is reported on the Company’s Condensed Consolidated Balance Sheets.

NOTE 21. SUBSEQUENT EVENTS

Gaylord Chemical Acquisition

On August 4, 2026, Holdings entered into a Stock Purchase Agreement (the "Purchase Agreement") with EagleTree-Gaylord Management Investment, L.P., a Delaware limited partnership, EagleTree-Gaylord Holdings Corp., a Delaware corporation (“Gaylord Chemical”) to acquire Gaylord Chemical, following satisfaction or waiver of certain conditions, for $850 million in cash (the "Transaction"), subject to customary adjustments. The Purchase Agreement may be terminated prior to the consummation of the Transaction by the mutual written consent of Holdings and Gaylord Chemical and in certain other circumstances. In connection with its entry into the Purchase Agreement, Holdings obtained equity financing commitments from certain investors for an aggregate of $870 million and obtained a debt financing commitment comprising a $250 million term loan and a $25 million revolving credit facility. These financing commitments will be used to finance the consideration due under the Purchase Agreement and related fees and expenses. A portion of the equity financing is expected to be provided by, and the equity financing commitments may be offset by, a proposed rights offering by the

Company (the “Rights Offering”). The record date, subscription ratio, expiration date and other terms of the Rights Offering will be described in a registration statement, including a prospectus, to be filed with the SEC. Any offer of the subscription rights or the securities issuable upon exercise of the subscription rights will be made only by means of the prospectus forming part of the registration statement, once such registration statement is declared effective.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition, results of operations and cash flows should be read in conjunction with (1) the unaudited condensed consolidated financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q and (2) the audited consolidated financial statements and notes thereto and management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2025 included in our Annual Report on Form 10-K for the year ended December 31, 2025 (the "2025 Form 10-K").

This Quarterly Report on Form 10-Q contains forward-looking statements which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or future financial or operating performance and include all statements that are not historical facts such as information concerning executive management transitions and integrations, the financial outlook of ContextLogic Holdings Inc. (the "Company," "ContextLogic," "we," "our" or "us"), information concerning the acquisition of US Salt Parent Holdings, LLC and subsidiaries (such entities taken together, comprising the salt production, manufacturing and distribution business of US Salt and its subsidiaries ("US Salt"), such acquisition, the "US Salt Acquisition"), information concerning the integration of US Salt into the Company's operations, potential growth strategies and opportunities, our remediation efforts for a material weakness identified as part of the US Salt Acquisition, potential resolutions to ongoing litigation and planned capital expenditures. In some cases, forward-looking statements can be identified by terms such as "anticipates," "assumption," "believes," "continue," "could," "estimates," "expects," "foresees," "forecasts," "guidance," "intends," "goals," "judgment," "may," "might," "outlook," "plans," "potential," "predicts," "projects," "seeks," "should," "targets," "will," "would" or similar expressions and the negatives of those terms.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Those risks include those described in Part II, Item 1A. "Risk Factors" in this Quarterly Report on Form 10-Q, as well as in our condensed consolidated financial statements, related notes, and the other information appearing elsewhere in this Quarterly Report on Form 10-Q, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2026, filed with the SEC on May 15, 2026, our Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on March 5, 2026 and our other filings with the SEC. The inclusion of forward-looking information should not be regarded as a representation by us, our management or any other person that the future plans, estimates, or expectations contemplated by us will be achieved. Given these uncertainties, you should not place undue reliance on any forward-looking statements in this Quarterly Report on Form 10-Q.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject, including, but not limited to, statements regarding the acquisition of US Salt, the strategic alternatives considered by the Company's Board of Directors (the "Board"), including the decisions taken thereto; future financial performance; future liquidity and operating expenditures; financial condition and results of operations; competitive changes in the marketplace and other characterizations of future events or circumstances. These statements are based on information available to us as of the date of this Quarterly Report on Form 10-Q. While we believe such information provides a reasonable basis for these statements, such information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

The forward-looking statements made in this Quarterly Report on Form 10-Q relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Quarterly Report on Form 10-Q to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments.

You should read this Quarterly Report on Form 10-Q and the documents that we reference in this Quarterly Report on Form 10-Q and have filed with the SEC as exhibits to this Quarterly Report on Form 10-Q with the understanding that our actual future results, levels of activity, performance, and events and circumstances may be materially different from what we expect.

Overview of the Company

We are a business ownership platform designed from first principles to combine the structural advantages of permanent public capital with the operating discipline, alignment, and long-term orientation typically associated with private ownership. Our mission is to build a portfolio of high-quality, niche, and competitively advantaged businesses that generate sustainable, growing free cash flow that can be reinvested over long time horizons.

Our origins trace to the former Wish.com business, which was divested following a multi-year decline driven by structural challenges in its underlying business model, leaving us with balance sheet liquidity of $161.6 million. Prior to the divestiture, the Company preserved approximately $2.9 billion of federal net operating losses ("NOLs") and other tax attributes.

Our decentralized structure means each operating subsidiary will be independently managed by its leadership team with responsibility for day-to-day operations, commercial strategy, and long-term planning. Our corporate functions will be intentionally limited in scope. Corporate leadership—led by a president—supports public company reporting, capital allocation, and mergers and acquisitions execution. Our operating businesses will each have chief executive officers with primary authority and accountability for their businesses.

Under this model, each operating subsidiary will be overseen by a dedicated business oversight committee consisting of directors who work directly with management, review budgets, assess performance, and make compensation decisions. Capital allocation across the platform will be overseen by a separate investment committee composed primarily of representatives from the Company’s largest equity holders. We believe this governance structure will keep decision-making close to owners, enhance accountability, and ensure capital is deployed with discipline.

Our acquisition approach focuses on identifying and acquiring businesses that meet three core criteria:

1. Niche market positioning. Businesses operating in markets that are sufficiently attractive to support long-term growth but are typically too specialized to attract substantial new competition.
2. Durable competitive advantages. Businesses with tangible and demonstrable structural advantages—such as cost position, technical capability, regulatory or qualification hurdles, or geographic advantages.
3. Long-duration relevance. Companies with business models and end markets that we expect to remain essential for decades, allowing us to own and operate them without a predetermined exit timeline.

We intend to add new businesses gradually over time, emphasizing quality, resilience, and attractive cash flow characteristics rather than volume or pace of deployment. In addition to strategic acquisitions, we may also pursue value-enhancing opportunities such as share repurchases, capital or structured investments when we believe such opportunities are attractive to shareholders.

In 2025, investment funds advised by BCP and Abrams Capital partnered to recapitalize ContextLogic and Holdings to acquire US Salt and architect a new platform based on aligned ownership, decentralized operations, and disciplined capital deployment. Following the closing of the US Salt Acquisition on February 26, 2026, we are in the process of implementing the new governance and operating models described herein to foster long-duration value creation and to avoid the constraints and exit pressures common in traditional private equity structures.

With US Salt as our initial operating business, we focus on building intrinsic value by growing EBITDA and by improving asset quality in a way that optimizes cash flows. We can employ Free Cash Flow and other sources of liquidity to re-invest in the ContextLogic platform, pay down debt and potentially make acquisitions. Our capital expenditures were $1.8 million, $2.1 million, and $4.8 million for the period from February 27, 2026 to June 30, 2026 (Successor), the period from January 1, 2026 to February 26, 2026 (Predecessor), and the six months ended June 30, 2025 (Predecessor), respectively (including one-time investments of $0.3 million, $0.7 million, and $2.0 million, respectively), highlighting the low capital requirements of our business model. See "Liquidity and Capital Resources—Capital Expenditures."

Recent Developments

On February 26, 2026, we acquired US Salt, a leading producer, packager, and distributor of evaporated and specialty salt products originally founded in 1893. US Salt produces evaporated salt which is distinct from rock salt and solar salt, and operates in a niche of the salt market that requires demanding purity levels (often over 99.6% sodium chloride) for use in such applications as food and pharmaceutical products. As a result, evaporated salt generally commands higher prices than rock salt and solar salt.

US Salt’s products primarily include private-label and branded round-can table salts, pharmaceutical-grade salts used in saline and dialysis solutions, food-processing salts used in manufacturing and preservation, and pool and water-softening salts for household and commercial use. US Salt’s fully integrated operating model provides end-to-end control over quality, reliability, and cost, resulting in consistent cash generation and long-term customer retention in a stable, non-cyclical industry.

As a specialized producer of high purity evaporated salt products, one of the largest private label round can salt producers, US Salt believes that it is one of only two domestic suppliers with scaled capability to produce U.S. Pharmacopeia ("USP")-compliant salt for pharmaceutical applications. US Salt believes it is well positioned to deliver its low-cost but high-value products to its customers. US Salt is strategically focused on highest value segments of the salt market. US Salt's key competitive strengths support its ability to consistently offer a range of solutions to its customers in a supply-constrained market with high barriers to entry. US Salt also serves a diversified customer base within these end markets where it maintains long-standing customer relationships. US Salt believes that its salt caverns, unique round-can packaging line, regulatory certifications and expensive construction process for new entrants, coupled with its 130-year continuous operating history, has provided it with leading market positions and created significant barriers to entry for potential competitors.

As a result of US Salt's vertically integrated operation, US Salt solution mines, manufactures, processes, packages, markets, distributes and sells salt, allowing it to go directly to the market with the following products:

- **Private label and branded round can salt**: 26-ounce canisters marketed under customer (private label) and US Salt-owned brands, sold through wholesale and retail channels.
- **Pharmaceutical salt**: High-purity, USP-compliant salt used to manufacture medical saline and dialysis solutions, sold through wholesale and commercial channels.
- **Food-grade salt**: Bagged and bulk salt used as an ingredient by food manufacturers, sold through wholesale and commercial channels.
- **Pool salt:** Bagged salt used to generate chlorine in saltwater swimming pools, sold through wholesale, commercial, and retail channels.
- **Water softening salt**: Bagged salt pellets used in residential water treatment systems, sold through wholesale, commercial, and retail channels.
- **Kosher / sea salt / other specialty**: Specialty salts, including kosher, sea, and pink varieties, sold through wholesale and retail channels. US Salt supplies its products according to customer specifications and regulatory requirements, and it supplements in-house production with limited third-party sourcing to broaden assortment where appropriate.

US Salt serves a diverse mix of end markets where salt is an essential input with limited substitution risk such as retail grocery, food processing, pharmaceuticals, water softening, and other industrial applications. US Salt sells to a diversified customer base where it maintains long-standing customer relationships, including national and regional retailers, food manufacturers, distributors, and healthcare companies. US Salt believes that the demanding, extensive and costly qualification process for new entrants, coupled with its history of consistently delivering exceptional solutions for its customers, has provided it with leading market positions and created significant barriers to entry for potential competitors.

Diversification across channels and end markets provides resilience through economic cycles. Over the five- and ten-year periods ended June 30, 2026 (Successor), US Salt's revenues grew at compound annual growth rates of approximately 7.8% and 7.5%, respectively, primarily driven by favorable product mix, new business wins, and disciplined pricing.

Known Trends and Uncertainties

We monitor several trends and uncertainties that could materially affect our future results of operations, liquidity, and cash flows.

Natural Gas and Energy Inputs

Our operations are energy intensive, and natural gas is our largest variable input cost. While future market pricing cannot be predicted with certainty, natural-gas cost variability may affect our production costs in the future if market rates materially differ from the terms of the existing contract. We consider hedging strategies and operational efficiency initiatives to mitigate potential price volatility.

Labor Costs and Workforce Availability

Wage inflation and a tight regional labor market have contributed to higher labor and benefit costs in recent periods. We expect continued upward pressure on wages, which may increase our cost of sales, selling expense, and general and administrative expenses. Productivity initiatives, cross-training, and automation are expected to partially offset inflationary impacts; however, labor availability and cost trends remain a uncertainty.

Product Mix and Customer Demand.

A meaningful portion of our margins is influenced by the mix of pharmaceutical, food-grade, consumer, and industrial salt volumes. Our strategy to increase exposure to higher-value categories is expected to support margin stability; however, the timing of large customer orders, competitive dynamics in private label programs, and broader economic conditions may contribute to period-to-period variability.

Maintenance and Production Reliability.

We operate a single, vertically integrated facility. While its multi-year reliability program has improved uptime and operating efficiency, unplanned outages, major equipment failures, or extended maintenance projects could temporarily affect production volumes or increase costs. We plan maintenance activities carefully to minimize operational disruptions, but variability in maintenance requirements is an ongoing uncertainty.

Inflationary Pressures and Supply Chain Costs

Increases in the cost of packaging materials, freight, spare parts, and external maintenance services have affected cost trends in recent years. Although we have generally been able to offset inflation through price increases and cost efficiency initiatives, sustained or accelerated inflation could impact Our margins and working capital needs.

Seasonality

Pool salt and ice melt are the only products that exhibit consistent seasonal demand patterns—pool salt shipments typically increase in late spring and summer, while ice melt demand occurs in winter months. These products represent a limited portion of its overall sales, and seasonality has not had a material impact on our consolidated results.

Results of Operations

Results after the date of the US Salt Acquisition, the period from February 27, 2026 through June 30, 2026 (Successor), include the Company's consolidation of US Salt into ContextLogic, reflecting US Salt on a new basis in accordance with application of acquisition accounting. The Company is presenting US Salt as the predecessor to the post-acquisition consolidated ContextLogic entity and as a result has presented activity of stand-alone US Salt in periods prior to February 26, 2026 (Predecessor Periods). To provide meaningful and comparable information, the Company is also presenting Combined results—a non-GAAP measure that adds the period from January 1, 2026 through February 26, 2026 (Predecessor) and the period from February 27 through June 30, 2026 (Successor)—to compare against the six months ended June 30, 2025 (Predecessor).

The following table shows our results of operations for the periods presented.

Results of Operations for the Three Months Ended June 30, 2026 (Successor) and 2025 (Predecessor)

	Successor			Predecessor			
	Three Months Ended June 30, 2026			Three Months Ended June 30, 2025			$ Change
	(in millions)			(in millions)			
Net sales	$	33.6	100%	$ 33.8	100%	$	(0.2)
Cost of sales		21.1	63%	20.1	59%		1.0
Gross profit		12.5		13.7			(1.2)
Operating expenses:							
Selling expense		1.0	3%	1.0	3%		—
General and administrative		11.7	35%	2.4	7%		9.3
Transaction expenses		1.8	5%	0.2	1%		1.6
Total operating expenses		14.5		3.6			10.9
(Loss) income from operations		(2.0)		10.1			(12.1)
Other income (expenses)							
Interest and other income		0.1	0%	—	0%		0.1
Interest and other expense		(4.4)	-13%	(5.4)	-16%		1.0
(Loss) income before provision for income taxes		(6.3)		4.7			(11.0)
Provision for income taxes		—	0%	—	0%		—
Net (loss) income		(6.3)	-19%	4.7	14%		(11.0)
Net (loss) attributable to noncontrolling interest		—	0%	—	0%		—
Net income attributable to Parent Holdings Class A unitholders (Predecessor) or common stockholders (Successor)	$	(6.3)	-19%	$ 4.7	14%	$	(11.0)
Other Financial and Operating Data:							
Gross Profit %[1]		37.2%		40.5%			
EBITDA[2]		8.0		13.7			
Adjusted EBITDA[2]		10.8		14.0			
Supplemental Disclosure Items:							
CLHI Corporate G&A		2.5		—			
CLHI Corporate transaction expenses		1.3		—			
CLHI Corporate depreciation and amortization		—		—			
CLHI Corporate tax benefit		—		—			
CLHI Corporate adjusting expense items for Adjusted EBITDA[3]		1.4		—			

(1) Calculated as a percentage of revenue.

(2) EBITDA and Adjusted EBITDA are non-GAAP financial measures. For definitions of EBITDA and Adjusted EBITDA and a reconciliation to the most directly comparable financial measures calculated and presented in accordance with GAAP, see "Management's Discussion and Analysis of Financial Condition and Result of Operations — Non-GAAP Financial Measures."

(3) CLHI expenses included as adjustments from EBITDA to Adjusted EBITDA include Transaction Expenses of $1.3 million and stock-based compensation of $0.1 million (where stock-based compensation is included in G&A in the above table).

Results of Operations for the Period from February 27, 2026 to June 30, 2026 (Successor), Period from January 1, 2026 to February 26, 2026 (Predecessor) and the Six Months Ended 2025 (Predecessor)

	Successor	Predecessor	Non-GAAP		Predecessor	
	Period from February 27, 2026 to June 30, 2026 (in millions)	Period from January 1, 2026 to February 26, 2026 (in millions)	Combined Six Months Ended June 30, 2026 (in millions)		Six Months Ended June 30, 2025 (in millions)	
Net sales	$ 45.7	$ 20.3	$ 66.0	100%	$ 66.1	100%
Cost of sales	29.4	13.2	42.6	65%	40.5	61%
Gross profit	16.3	7.1	23.4		25.6	
Operating expenses:						
Selling expense	1.4	0.7	2.1	3%	2.0	3%
General and administrative	19.2	1.6	20.8	32%	5.0	8%
Transaction expenses	22.5	0.1	22.6	34%	0.2	0%
Total operating expenses	43.1	2.4	45.5		7.2	
(Loss) income from operations	(26.8)	4.7	(22.1)		18.4	
Other income (expenses)						
Interest and other income	0.1	—	0.1	0%	—	0%
Interest and other expense	(6.2)	(3.0)	(9.2)	-14%	(10.8)	-16%
(Loss) income before provision for income taxes	(32.9)	1.7	(31.2)		7.6	
Provision for income taxes	41.9	—	41.9	63%	—	0%
Net income	9.0	1.7	10.7	16%	7.6	11%
Net (loss) attributable to noncontrolling interest	—	—	—	0%	—	0%
Net income attributable to Parent Holdings Class A unitholders (Predecessor) or common stockholders (Successor)	$ 9.0	$ 1.7	$ 10.7	16%	$ 7.6	11%
Other Financial and Operating Data:						
Gross Profit %[(1)]	35.7%	35.0%	35.5%		38.7%	
EBITDA[(2)]	(13.5)	7.4	(6.1)		25.7	
Adjusted EBITDA[(2)]	14.7	7.7	22.4		26.6	
Supplemental Disclosure Items:						
CLHI Corporate G&A	$ 7.1	—	7.1		—	
CLHI Corporate transaction expenses	21.8	—	21.8		—	
CLHI Corporate depreciation and amortization	—	—	—		—	
CLHI Corporate tax benefit	41.9	—	41.9		—	
CLHI Corporate adjusting expense items for Adjusted EBITDA[(3)]	25.5	—	25.5		—	

(1) Calculated as a percentage of revenue.

(2) EBITDA and Adjusted EBITDA are non-GAAP financial measures. For definitions of EBITDA and Adjusted EBITDA and a reconciliation to the most directly comparable financial measures calculated and presented in accordance with GAAP, see "Management's Discussion and Analysis of Financial Condition and Result of Operations — Non-GAAP Financial Measures."

(3) CLHI expenses included as adjustments from EBITDA to Adjusted EBITDA include Transaction Expenses of $21.8 million, estimated contingent loss related to a legal matter of $3.5 million and stock-based compensation of $0.2 million (where the contingent loss and stock-based compensation are included in G&A in the above table).

Comparison of the Three Months Ended June 30, 2026 (Successor) and the Three Months Ended June 30, 2025 (Predecessor)

Net Sales, Cost of Sales, and Gross Profit

	Successor		Predecessor		
	Three Months Ended June 30, 2026		Three Months Ended June 30, 2025		Three Months' Change
	(in millions)		(in millions)		%
Net sales	$	33.6	$	33.8	(0.6)%
Cost of sales		21.1		20.1	5.0%
Gross profit		12.5		13.7	(8.8)%
Gross margin		37.2%		40.5%	

Net sales for the second quarter of 2026 (Successor) was $33.6 million, essentially flat compared to $33.8 million in the second quarter of 2025 (Predecessor). We experienced lower sales volume in the quarter, partially offset by higher average sales prices and a slightly favorable product mix. The average sales price in the second quarter of 2026 (Successor) was 7.7% higher than that of prior year quarter (Predecessor), which generated approximately $2.4 million of additional revenue. Overall volume during the second quarter of 2026 (Successor) decreased 8.0%, compared with the second quarter of 2025 (Predecessor), resulting in an approximately $2.6 million reduction in revenue. The decrease in volume was primarily attributable to a planned maintenance shutdown in the quarter that was not performed in the prior year and transportation constraints related to limited trucking availability that limited trucking availability that limited shipments during the quarter.

Cost of sales for the second quarter of 2026 (Successor) was $21.1 million, an increase of $1.0 million, or 5.0%, from $20.1 million for the second quarter of 2025 (Predecessor). The increase was primarily driven by inflationary pressures on inputs such as natural gas and labor, and costs associated with a planned periodic maintenance shutdown that is conducted approximately every two to three years to perform major maintenance activities related to equipment reliability and operating efficiency.

Gross profit decreased $1.2 million for the second quarter of 2026 (Successor) compared to the second quarter of 2025 (Predecessor). This decrease was primarily driven by the cost associated with the planned maintenance shutdown and the increased price of inputs such as natural gas and labor.

Operating Expenses

	Successor		Predecessor		
	Three Months Ended June 30, 2026		Three Months Ended June 30, 2025		Three Months' Change
	(in millions)		(in millions)		%
General and administrative	$	11.7	$	2.4	387.5%
Selling expense		1.0		1.0	—
Transaction expenses		1.8		0.2	800.0%
Operating expenses		14.5		3.6	302.8%

Operating expenses increased $10.9 million for the second quarter of 2026 (Successor) compared to the second quarter of 2025 (Predecessor). This increase was primarily driven by $6.8 million of higher intangible asset amortization related to US Salt acquisition accounting and $3.8 million of expenses attributable to ContextLogic, impacted by professional services, employee costs, and expenses related to investigating other potential acquisitions.

Other Income (Expenses)

	Successor		Predecessor		
	Three Months Ended June 30, 2026		Three Months Ended June 30, 2025		Three Months' Change
	(in millions)		(in millions)		%
Interest and other income	$	0.1	$	—	100.0%
Interest and other expense, net		(4.4)		(5.4)	(18.5)%
Other income (expenses)		(4.3)		(5.4)	(20.4)%

Other income (expense) increased $1.1 million for the second quarter of 2026 (Successor) compared to the second quarter of 2025 (Predecessor). The increase was driven by $1.0 million of lower interest expense, reflecting the lower interest rate on the Wilmington Trust term loan entered into in February 2026 in connection with the US Salt Acquisition, as compared to the Ares Capital term loan it replaced.

Comparison of the Period from February 27, 2026 to June 30, 2026 (Successor) and Period from January 1, 2026 to February 26, 2026 (Predecessor) Compared with the Six Months Ended June 30, 2025 (Predecessor)

Net Sales, Cost of Sales, and Gross Profit

	Successor	Predecessor	Non-GAAP	Predecessor	Non-GAAP
	Period from February 27, 2026 to June 30, 2026	Period from January 1, 2026 to February 26, 2026	Combined Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Six Months' Change
	(in millions)	(in millions)	(in millions)	(in millions)	%
Net sales	$ 45.7	$ 20.3	$ 66.0	$ 66.1	(0.2)%
Cost of sales	29.4	13.2	42.6	40.5	5.2%
Gross profit	16.3	7.1	23.4	25.6	(8.6)%
Gross margin	35.7%	35.0%	35.5%	38.7%	

Revenue for the Combined six months ending June 30, 2026, was $66.0 million, a decrease of $0.1 million, or 0.2%, from $66.1 million for the six months ending June 30, 2025 (Predecessor). The decrease was primarily attributable to lower sales volumes, partially offset by higher average sales prices and slightly favorable product mix. Average sales price in the Combined six months ending June 30, 2026 increased 7.9% compared to the same period in the prior year, which generated approximately $4.8 million of additional revenue. US Salt volumes decreased 7.4% for the Combined six months ended June 30, 2026, compared to prior year, resulting in an approximately $4.9 million reduction in revenue. The decrease in volume was primarily attributable to a planned maintenance shutdown in the second quarter of 2026 (Successor) that was not performed in the prior year and transportation constraints related to limited trucking availability that limited shipments during the year.

Cost of sales for the Combined six months ending June 30, 2026, was $42.6 million, an increase of $2.1 million, or 5.2%, from $40.5 million for the six months ending June 30, 2025 (Predecessor). The increase was primarily attributable to $1.1 million of acquisition related inventory step-up amortization. The remaining increase was due to inflationary pressures on inputs such as natural gas and labor, and costs associated with a planned periodic maintenance shutdown conducted approximately every two to three years to perform major maintenance activities related to equipment reliability and operating efficiency.

Gross profit decreased $2.2 million for the Combined six months ended June 30, 2026 compared to the six months ended June 30, 2025 (Predecessor). This decrease was primarily driven by the $2.1 million increase in cost of sales.

Operating Expenses

	Successor	Predecessor	Non-GAAP	Predecessor	Non-GAAP
	Period from February 27, 2026 to June 30, 2026	Period from January 1, 2026 to February 26, 2026	Combined Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Six Months' Change
	(in millions)	(in millions)	(in millions)	(in millions)	%
General and administrative	$ 19.2	$ 1.6	$ 20.8	$ 5.0	316.0%
Selling expense	1.4	0.7	2.1	2.0	5.0%
Transaction expenses	22.5	0.1	22.6	0.2	11200.0%
Operating expenses	43.1	2.4	45.5	7.2	531.9%

Operating expenses increased $38.3 million for the Combined six months ended June 30, 2026 compared to the six months ended June 30, 2025 (Predecessor). This increase was primarily driven by $21.8 million of expenses incurred by ContextLogic attributable to its acquisition of US Salt and expenses incurred investigating other potential acquisitions, $9.2 million of higher intangible asset amortization related to US Salt acquisition accounting, $7.1 million of expenses attributable to ContextLogic corporate costs, impacted by a $3.5 million contingent loss accrual, professional services, and employee costs.

Other Income (Expenses)

	Successor	Predecessor	Non-GAAP	Predecessor	Non-GAAP
	Period from February 27, 2026 to June 30, 2026	Period from January 1, 2026 to February 26, 2026	Combined Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Six Months' Change
	(in millions)	(in millions)	(in millions)	(in millions)	%
Interest and other income	$ 0.1	$ —	$ 0.1	$ —	100.0%
Interest and other expense, net	(6.2)	(3.0)	(9.2)	(10.8)	(14.8)%
Other income (expenses)	(6.2)	(3.0)	(9.1)	(10.8)	(14.8)%

Other income (expense) increased $1.7 million for the Combined six months ended June 30, 2026 compared to the six months ended June 30, 2025 (Predecessor). The increase was driven by $1.8 million of lower interest expense, reflecting the lower interest rate on the Wilmington Trust term loan entered into in February 2026 in connection with the US Salt Acquisition, as compared to the Ares Capital term loan it replaced.

Non-GAAP Financial Measures

EBITDA and Adjusted EBITDA

Earnings before interest, taxes, depreciation and amortization, or EBITDA, and Adjusted EBITDA are supplemental non-GAAP financial measures used by management. The Company defines EBITDA as net income before (i) interest expense, (ii) depreciation, amortization and depletion, and (iii) taxes. The Company defines Adjusted EBITDA as EBITDA before (i) transaction and integration costs, (ii) stock and unit-based compensation, (iii) restructuring and severance costs, (iv) asset impairments and write-offs, (v) legal contingency accrual, (vi) asset retirement obligation accretion, (vii) foreign currency (gain) loss, and (viii) other non-recurring adjustments. The most directly comparable GAAP financial measure to EBITDA and Adjusted EBITDA is net income.

The Company believes EBITDA and Adjusted EBITDA offer useful views of the overall operation of the business because they allow comparison of its results of operations from period to period without regard to its financing methods or capital structure or other items that impact comparability of financial results from period to period such as fluctuations in interest expense or effective tax rates, levels of depreciation, amortization, and depletion, or significant unusual items.

Users should consider the limitations of EBITDA and Adjusted EBITDA, including that (i) EBITDA and Adjusted EBITDA do not reflect the significant interest expense, or the cash requirements necessary to service interest payments on the Company's indebtedness, (ii) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and the cash requirements for such replacements are not reflected in EBITDA and Adjusted EBITDA, (iii) Adjusted EBITDA exclude the cash expense the Company has incurred to integrate acquired businesses into its operations, which is a necessary element of certain of its acquisitions, (iv) the omission of the substantial amortization expense associated with the Company's intangible assets further limits the usefulness of EBITDA and Adjusted EBITDA and (v) EBITDA and Adjusted EBITDA do not include the payment of taxes, which is a necessary element of the Company's operations. EBITDA and Adjusted EBITDA should not be considered as alternatives to, or more meaningful than, net income or any other measure as determined in accordance with GAAP. The Company's computations of EBITDA and Adjusted EBITDA may not be comparable to EBITDA or Adjusted EBITDA of other companies. The Company presents EBITDA and Adjusted EBITDA because it believes they provide useful information to investors regarding the factors and trends affecting its business.

The following table presents a reconciliation of the Company's EBITDA and Adjusted EBITDA to the GAAP financial measure of net income for each of the periods indicated:

Net Income to EBITDA and Adjusted EBITDA Reconciliation for the Three Months Ended June 30, 2026 (Successor) and 2025 (Predecessor)

	Successor Three Months Ended June 30, 2026	Predecessor Three Months Ended June 30, 2025	$ Change
	(in millions)	(in millions)	
Net (loss) income	$ (6.3)	$ 4.7	$ (11.0)
Adjustments			
Interest expense	4.4	5.5	(1.1)
Interest income	(0.1)	(0.1)	—
Depreciation and depletion	2.7	3.2	(0.5)
Amortization	7.3	0.4	6.9
EBITDA	8.0	13.7	(5.7)
Adjustments:			
Transaction and integration costs[1]	1.8	0.2	1.6
Stock-based and unit-based compensation[2]	0.9	—	0.9
Write off of property, plant, and equipment[3]	0.1	—	0.1
Other[4]	—	0.1	(0.1)
Adjusted EBITDA	$ 10.8	$ 14.0	$ (3.2)

(1) Expenses incurred by US Salt and ContextLogic related to the US Salt Acquisition and searching for other potential acquisitions.

(2) Stock-based and unit-based compensation incurred, which includes the US Salt long-term incentive plan and excludes $0.4 of stock-based compensation included within transaction and integration costs.

(3) Write off of construction in progress that could not be realized into an asset.

(4) Contains gain on foreign currency transactions and costs associated with the decommissioning and removal of certain manufacturing equipment and expenses unique to US Salt's prior parent.

Net Income to EBITDA and Adjusted EBITDA Reconciliation for the Period from February 27, 2026 to June 30, 2026 (Successor), Period from January 1, 2026 to February 26, 2026 (Predecessor) and the Six Months Ended 2025 (Predecessor)

	Successor	Predecessor	Non-GAAP	Predecessor	
	Period from February 27, 2026 to June 30, 2026	Period from January 1, 2026 to February 26, 2026	Combined Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	$ Change
	(in millions)	(in millions)	(in millions)	(in millions)	
Net income	$ 9.0	$ 1.7	$ 10.7	$ 7.6	$ 3.1
Adjustments					
Interest expense	6.2	3.0	9.2	10.8	(1.6)
Interest income	(0.1)		(0.1)		(0.1)
Income tax (benefit) provision	(41.9)	—	(41.9)	—	(41.9)
Depreciation and depletion	3.6	2.4	6.0	6.5	(0.5)
Amortization	9.7	0.3	10.0	0.8	9.2
EBITDA	(13.5)	7.4	(6.1)	25.7	(31.8)
Adjustments:					
Recognition of inventory step-ups(1)	1.1	—	1.1	—	1.1
Transaction and integration costs(2)	22.5	0.1	22.6	0.2	22.4
Stock-based and unit-based compensation(3)	1.0	0.1	1.1	0.1	1.0
Write off of property, plant, and equipment(4)	0.1	—	0.1	—	0.1
Restructuring and severance(5)	—	—	—	0.3	(0.3)
Contingent loss accrual(6)	3.5	—	3.5	—	3.5
Other(7)	—	0.1	0.1	0.3	(0.2)
Adjusted EBITDA	$ 14.7	$ 7.7	$ 22.4	$ 26.6	$ (4.2)

(1) Increase in inventory to fair value as a result of the US Salt Acquisition.

(2) Expenses incurred by US Salt and ContextLogic related to the US Salt Acquisition and searching for other potential acquisitions.

(3) Stock-based and unit-based compensation incurred, which includes the US Salt long-term incentive plan and excludes $0.4 of stock-based compensation included within transaction and integration costs.

(4) Write off of construction in progress that could not be realized into an asset.

(5) Severance, transition, and retention costs associated with executive leadership changes.

(6) Estimated contingent loss related to a legal matter. Refer to Note 14, Commitments and Contingencies, for further information.

(7) Contains gain on foreign currency transactions and costs associated with the decommissioning and removal of certain manufacturing equipment and expenses unique to US Salt's prior parent.

Free Cash Flow

Free Cash Flows are driven primarily by increasing operating income and efficiently managing accounts receivable, inventory, accounts payable, and capital expenditures. Increases in operating income primarily result from increases in revenue and efficiently managing cost of sales, selling expenses, and general and administrative expenses, partially offset by investing in property, plant and equipment. We make longer-term strategic capital investment, including capital expenditures focused on expansion of production capacity and efficiency of production. We provide multiple measures of Free Cash Flow because we believe these measures provide additional perspective to investors on the impact of acquiring property, plant and equipment with cash and through finance leases and financing obligations. The Company believes EBITDA and Adjusted EBITDA offer useful views of the overall operation of the business because they allow comparison of its results of operations from period to period without regard to its financing methods or capital structure or other items that impact comparability of financial results from period to period such as fluctuations in interest expense or effective tax rates, levels of depreciation, amortization, and depletion, or significant unusual items.

Users should consider the limitations of Free Cash Flow, including that (i) Free Cash Flow do not reflect the significant interest expense, or the cash requirements necessary to service interest payments on our indebtedness and (ii) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and the cash requirements for such replacements are not reflected in Free Cash Flow.

Free Cash Flow is cash flow from operations reduced by "Purchases of property, plant and equipment" ("Free Cash Flow"). The following is a reconciliation of Free Cash Flow to the most comparable GAAP cash flow measure, "Net cash provided by (used in) operating activities" for each of the periods indicated:

	Successor		Predecessor		Non-GAAP		Predecessor	
	Period from February 27, 2026 to June 30, 2026		Period from January 1, 2026 to February 26, 2026		Combined Six Months Ended June 30, 2026		Six Months Ended June 30, 2025	
	(in millions)		(in millions)		(in millions)		(in millions)	
Net cash (used in) provided by operating activities	$	(19.8)	$	1.8	$	(18.0)	$	12.1
Purchases of property, plant and equipment	$	(2.3)	$	(1.3)	$	(3.6)	$	(4.2)
Free Cash Flow	$	(22.1)	$	0.5	$	(21.6)	$	7.9
Net cash (used in) provided by investing activities	$	(587.5)	$	(1.3)	$	(588.8)	$	(4.2)
Net cash provided by (used in) financing activities	$	401.0	$	—	$	401.0	$	(7.9)

Free Cash Flow less Principal Repayments of Finance Leases Obligations and Repayment on Term Loan

Free Cash Flow less principal repayments of finance leases and repayment on term loan is Free Cash Flow reduced by "Principal repayments of finance leases" and "Principal repayments on term loan." Principal repayments of finance leases and term loan approximate the actual payments of cash for our finance leases and financing obligations. The following is a reconciliation of Free Cash Flow less principal repayments of finance leases and term loan to the most comparable GAAP cash flow measure, "Net cash provided by (used in) operating activities" for each of the periods indicated:

	Successor		Predecessor		Non-GAAP		Predecessor	
	Period from February 27, 2026 to June 30, 2026		Period from January 1, 2026 to February 26, 2026		Combined Six Months Ended June 30, 2026		Six Months Ended June 30, 2025	
	(in millions)		(in millions)		(in millions)		(in millions)	
Net cash (used in) provided by operating activities	$	(19.8)	$	1.8	$	(18.0)	$	12.1
Purchases of property, plant and equipment	$	(2.3)	$	(1.3)	$	(3.6)	$	(4.2)
Free Cash Flow	$	(22.1)	$	0.5	$	(21.6)	$	7.9
Principal repayments of term loan	$	—	$	—	$	—	$	(4.2)
Cash Flow less principal repayments of finance leases and repayment on term loan	$	(22.1)	$	0.5	$	(21.6)	$	3.7
Net cash (used in) provided by investing activities	$	(587.5)	$	(1.3)	$	(588.8)	$	(4.2)
Net cash provided by (used in) financing activities	$	401.0	$	—	$	401.0	$	(7.9)

Liquidity and Capital Resources

Sources of Liquidity

Liquidity is provided through cash flow from operations and availability under the revolving credit facility. As of June 30, 2026 and 2025, we remained in full compliance with our financial covenants, with sufficient headroom under the maximum leverage and fixed-charge coverage ratios. We had cash and cash equivalents of $11.0 million as of June 30, 2026, which were entirely held in cash deposits and money market funds and were held for working capital purposes. We believe that our existing cash, cash equivalents, and cash generation from operations will be sufficient to meet our anticipated cash needs for at least the next 12 months.

Capital Expenditures

Capital expenditures totaled approximately $1.8 million, $2.1 million, and $4.8 million for the period from February 27, 2026 to June 30, 2026 (Successor), the period from January 1, 2026 to February 26, 2026 (Predecessor), and the six months ended June 30, 2025 (Predecessor), respectively (including one-time investments of $0.3 million, $0.7 million, and $2.0 million, respectively). These amounts include expenditures related to several large, non-recurring maintenance and growth projects, including generator rebuilds, flood-mitigation initiatives, installation of a black-start backup generator to enhance power redundancy, and the new pool salt line project. As discussed elsewhere in this 10-Q filing, we also present capital expenditures excluding certain one-time investments in order to provide a more meaningful view of our ongoing maintenance and recurring capital requirements.

Material Cash Requirements

We expect to continue to fund its operations, working capital needs, and capital investments primarily through cash generated from operations and available capacity under its revolving credit facility.

Capital Expenditures

We expect capital expenditures of approximately $10.2 million in 2026 (Successor) due to the addition of two new wells with an estimated cost of $4.4 million. The Company expects average annual capital expenditures of approximately $6–$8 million over the next several years after 2026, consisting primarily of maintenance, reliability projects, and select growth initiatives.

Debt Service Obligations

As of June 30, 2026 (Successor), we are obligated to make quarterly principal payments of $0.5 million on our term loan starting September 30, 2026 through its February 2033 maturity, with the remaining principal due at maturity. Interest payments will vary based on SOFR-linked rates applicable to its credit facility. We do not anticipate material excess-cash-flow payments under its credit agreement based on current forecasts.

Lease Commitments

We have non-cancelable operating lease commitments for warehouses, offices, equipment, railcars, and finance leases for equipment. As of June 30, 2026 (Successor), remaining contractual lease payments were approximately $1.5 million, with approximately $0.7 million due within 12 months.

Environmental and Maintenance Requirements

We incur ongoing maintenance and periodic refurbishment costs associated with its production assets. These expenditures vary by year based on reliability requirements, but we expect them to remain within the anticipated annual capital-expenditure range described above.

Management believes that cash flows from operations, together with availability under its revolving credit facility, will be sufficient to meet our material cash requirements for at least the next 12 months.

Cash Flows

	Successor	Predecessor	Predecessor
	Period from February 27, 2026 to June 30, 2026	Period from January 1, 2026 to February 26, 2026	Six Months Ended June 30, 2025
	(in millions)	(in millions)	(in millions)
Net cash (used in) provided by:			
Operating activities	$ (19.8)	$ 1.8	$ 12.1
Investing activities	$ (587.5)	$ (1.3)	$ (4.2)
Financing activities	$ 401.0	$ —	$ (7.9)

Net Cash Used in Operating Activities

Net cash used in our operating activities for the period from February 27, 2026 to June 30, 2026 (Successor) was $19.8 million. This cash use for the period was primarily driven by cash expenses related to the our acquisition of US Salt, reflected as transaction expenses on our Condensed Consolidated Statements of Operations.

Net cash provided by our operating activities for the period from January 1, 2026 to February 26, 2026 (Predecessor) was $1.8 million, driven by our net income of $1.7 million.

Net cash provided by our operating activities for the six months ended June 30, 2025 (Predecessor) was $12.1 million. This was driven by our net income of $7.6 million and depreciation, depletion and amortization of $7.3 million, which was partially offset by a $3.9 million of outflow related to operating assets and liabilities.

Net Cash Used in Investing Activities

Net cash used in our investing activities for the period from February 27, 2026 to June 30, 2026 (Successor) was $587.5 million. This was driven by $585.2 million spent acquiring US Salt, net of cash acquired.

Net cash used in our investing activities for the period from January 1, 2026 to February 26, 2026 (Predecessor) was $1.3 million. This was primarily due to $1.3 million in purchases of property, plant, and equipment.

Net cash used in our investing activities for the three months ended June 30, 2025 (Predecessor) was $4.2 million. This was primarily due to $4.2 million spent on purchases of plant, property, and equipment.

Net Cash Provided By (Used in) Financing Activities

Net cash provided by our financing activities for the period from February 27, 2026 to June 30, 2026 (Successor) was $401.0 million primarily due to $215 million proceeds from issuance of debt, $114.8 million from the rights offering and related backstops associated with the US Salt Acquisition, and $75 million from issuance of noncontrolling interests.

Net cash used in our financing activities for the period from January 1, 2026 to February 26, 2026 (Predecessor) was immaterial due to the period only having immaterial payments of the finance leases' principal amounts.

Net cash used in our financing activities for the three months ended June 30, 2025 (Predecessor) was $7.9 million primarily due to $4.2 million repayment of principal on term loans and $3.5 million of member distributions.

Contractual and Other Obligations

Debt obligations

Under the Wilmington Trust Credit Agreement, our debt obligations consist of a $215.0 million term loan and an up to $25.0 million revolving line of credit.

Leases

We lease warehouses, office space, and equipment under long-term lease agreements. The leases consist of operating leases expiring in various years through 2030, as well as standard operating leases for railcars, vehicles, and office space. As of June 30, 2026 (Successor), the future minimum lease payments required under these leases totaled $1.5 million, with $0.7 million payable within 12 months.

Off Balance Sheet Arrangements

We do not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities that would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Critical Accounting Policies and Estimates

In addition to our current critical accounting policies as described in our 2025 Form 10-K, filed with the SEC on March 5, 2026, with the acquisition of US Salt, we have the following additional critical accounting policies for revenue and inventories. These policies require significant judgment or estimate by management.

Revenue Recognition

Our revenue is primarily generated from the sale of salt products to customers including nationwide retailers, pharmaceutical companies, food service operators, and independent distributors. Those sales predominantly contain a single performance obligation and revenue is recognized at a point in time when ownership, risks and rewards transfer, which can be on the date when the product is shipped or delivered to the customer based upon applicable shipping terms. Revenue is reported as net revenue and is measured as the determinable transaction price, net of any variable consideration such as discounts, rebates, sales incentives, rights to return product and any taxes collected from customers and remitted to government authorities. We use the most likely amount method to determine the variable consideration including discounts, rebates, and sales returns and allowances, which is treated as a reduction in revenue when product revenue is recognized. We review and update the estimates and related accruals of variable consideration at the end of each reporting period based on the terms of the agreements, historical experience, and any recent changes in the market. The actual amounts paid may be different from such estimates. These differences, which have historically not been significant, are recognized as a change in management estimate in a subsequent period.

Inventories

Our inventories include salt inventories, packaging, supplies, and maintenance materials, which are valued at the lower of cost or net realizable value using a first-in, first out method. We monitor inventory levels and adjusts valuation for slow-moving, shrinkage, obsolescence, and markdowns. We account for slow-moving or obsolete inventory with a reserve that is established based on management's estimates of the net realizable value of the related products at the end of each reporting period.

Recent Accounting Pronouncements

See Note 2 of Part I, Item 1 of this Quarterly Report on Form 10-Q for a full description of recent accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a "smaller reporting company," as defined by Item 10 of Regulation S-K, we are not required to provide this information.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission and to ensure that information required to be disclosed is accumulated and communicated to management, including our principal executive and financial officers, to allow timely decisions regarding required disclosure.

Our President and Chief Financial Officer, with assistance from other members of management, have evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2026. Based on that evaluation, and as a result of the material weakness in internal control over financial reporting described below, our President and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of June 30, 2026.

Material Weakness in Internal Control over Financial Reporting

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

In connection with our acquisition of US Salt on February 26, 2026, we, together with management of US Salt, identified a material weakness in US Salt's internal control over financial reporting as of the acquisition date. The material weakness resulted from US Salt's lack of a formalized internal control framework based on the criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Specifically, the deficiencies that aggregate to this material weakness include the following:

- An insufficient complement of personnel with an appropriate degree of internal controls knowledge, GAAP technical accounting expertise, and SEC reporting experience, which caused management to be unable to appropriately define responsibilities to create an effective control environment;
- The lack of a formalized risk assessment process to identify, analyze, and respond to risks of material misstatement to financial reporting, including risks arising from changes in the business or the operating environment; and
- Inadequate selection, design, development, and operation of control activities, including general information technology controls over user access, segregation of duties, change management, and program development relevant to financial reporting.

We have concluded that this material weakness is due to the fact that US Salt was a private company with limited resources and did not have the necessary business processes and related internal controls formally designed and implemented, coupled with the lack of appropriate resources with the appropriate level of experience and technical expertise to oversee its business processes and controls.

Notwithstanding the material weakness described above, our management, including our President and Chief Financial Officer, has concluded that the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q present fairly, in all material respects, our financial position, results of operations, and cash flows for the periods presented in conformity with GAAP.

This material weakness did not result in a material misstatement to our unaudited condensed consolidated financial statements for the periods presented. However, this material weakness could result in a misstatement of one or more account balances or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected on a timely basis.

Management's Plan to Remediate the Material Weakness

Our remediation efforts are ongoing and are expected to include:

With oversight from our Audit Committee, management has begun, and will continue to undertake, measures designed to remediate the material weakness described above. As part of our integration of US Salt, our remediation efforts include extending our existing internal control framework, policies, and procedures to US Salt's operations. The actions implemented or planned to be implemented include:

- Adoption of the COSO framework by US Salt operations, including formal documentation of policies, procedures, and process narratives;
- Performance of a formal risk assessment over US Salt's financial reporting processes to identify risks of material misstatement and to design responsive control activities;
- Development, documentation, and implementation of control activities at US Salt, including controls over journal entries, account reconciliations, period-end close procedures, and significant accounting estimates;
- Assessment of the effectiveness of internal controls over financial reporting through monitoring activities, including management review controls and periodic testing, with results reported to executive management and the Audit Committee;
- Recruitment of additional qualified personnel and engagement of external consultants and specialists with the requisite knowledge of GAAP, SEC reporting, and internal control over financial reporting to supplement existing US Salt resources, and the provision of ongoing internal control training to US Salt personnel;
- Review and enhancement of IT general controls over information systems relevant to financial reporting, including controls over user access, segregation of duties, change management, and program development; and
- Realignment of existing personnel and the addition of both internal and external personnel to strengthen processes and controls at US Salt and at the corporate level.

The material weakness will not be considered remediated until management completes the design and implementation of the measures described above, such measures are tested by management, and the controls operate for a sufficient period of time and management has concluded, through testing, that these controls are designed and operating effectively. We expect remediation activities to continue throughout fiscal year 2026 and into subsequent periods. We believe we are making progress toward achieving the effectiveness of our internal controls and disclosure controls; however, we cannot provide any assurance that these remediation efforts will be successful or that our internal control over financial reporting will be effective as a result of these efforts.

Changes in Internal Control Over Financial Reporting

Other than the integration of US Salt and the related ongoing changes in internal control over financial reporting being implemented as part of the remediation measures described above, there were no changes in our internal control over financial reporting during the period from February 27, 2026 to June 30, 2026 (Successor) or the period from January 1, 2026 to February 26, 2026 (Predecessor) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on the Effectiveness of Controls

Our management, including our principal executive officer and principal financial officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Due to inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

The information set forth under Note 14, Commitments and Contingencies, in the Notes to Unaudited Condensed Consolidated Financial Statements included in Part I, Item 1, of this Quarterly Report on Form 10-Q, is incorporated herein by reference.

Item 1A. Risk Factors.

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties set forth below, together with all of the other information contained in this Quarterly Report on Form 10-Q, including our condensed consolidated financial statements and related notes, and in our Annual Report on Form 10-K for the year ended December 31, 2025, before making a decision to invest in our common stock. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that affect our business. These risk factors could materially and adversely affect our business, financial condition and results of operations, and the market price of our common stock could decline. These risk factors do not identify all risks that we face – our financial condition and/or operations could also be affected by factors that are not presently known to us or that we currently consider to be immaterial to our financial conditions and/or operations. Other than as described below, there have been no additional material changes from the risk factors previously disclosed under the heading "Risk Factors" in Part I, Item 1A of our 2025 Form 10-K and the risk factors previously disclosed under the heading "Risk Factors." in Part II, Item 1A of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2026, filed with the SEC on May 15, 2026.

Risks Related to the Gaylord Chemical Acquisition, Backstop Agreements, and Financings

On August 4, 2026, Holdings entered into a Stock Purchase Agreement (the “Purchase Agreement”) with EagleTree-Gaylord Management Investment, L.P., a Delaware limited partnership (“Seller”), EagleTree-Gaylord Holdings Corp., a Delaware corporation (the “Target Company”), and GCH Buyer, Inc., a Delaware corporation and indirect, wholly-owned subsidiary of Holdings (“Buyer”). The Purchase agreement provides that, following satisfaction or waiver of certain conditions, Buyer will purchase from Seller all of the outstanding shares of the Target Company (the “Gaylord Chemical Acquisition”) for $850 million in cash, subject to customary adjustments. See Note 21 of Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

If we consummate the Gaylord Chemical Acquisition, we and Gaylord Chemical may incur significant cost, time, effort and attention on integration and the development of necessary support. These may hinder our ability to realize the expected benefits of the Gaylord Chemical Acquisition.

Gaylord Chemical maintains its own sales, marketing, product development, manufacturing and other administrative teams, legal, purchasing, information technology (“IT”), tax and certain other financial and operating services such as human resources (“HR”), insurance and treasury. Gaylord Chemical will continue to operate independently from ContextLogic until closing of the Gaylord Chemical Acquisition.

While we intend to operate Gaylord Chemical predominantly as a stand-alone business with substantially the same organizational structure, operations, management team, employees and locations as are presently used in Gaylord Chemical, the success of the Gaylord Chemical Acquisition will substantially depend on our ability to incorporate Gaylord Chemical into the Company and support its business needs, as well as to effectively manage this business. Such challenges include (i) the integration of Gaylord Chemical into our accounting reporting system and functions, (ii) the development, adaptation and maintenance of the operating and administrative support systems historically provided by Gaylord Chemical on which Gaylord Chemical has relied, including legal, purchasing, IT, tax, HR, insurance and treasury, and (iii) the ability of Gaylord Chemical and management to adapt to our policies, procedures and support systems.

If the Gaylord Chemical Acquisition is consummated, incorporation of, and development of the necessary support for, Gaylord Chemical could be a lengthy process, requiring substantial expenditures by the Company, as well as significant time, effort and attention from the management teams and key employees of both the Company and Gaylord Chemical. Such demands could divert needed resources from both businesses. Further, these challenges could result in the loss of key employees, disruption of the ongoing businesses and relationships with customers, suppliers and other third parties, diversion of management and corporate attention to integration issues, tax costs and inefficiencies, and inconsistencies in standards, controls, IT systems, accounting systems, procedures, policies, Sarbanes-Oxley controls and other administrative systems. If any of these factors limit our ability to integrate Gaylord Chemical successfully or on a timely basis, we may not achieve the strategic, operational, financial and other benefits anticipated to result from the Gaylord Chemical Acquisition to the fullest extent, on a timely basis or at all.

Beyond the purchase price, potential termination penalties, and the cost of our diligence and preparation associated with the Gaylord Chemical Acquisition, we will incur significant transaction and integration costs in connection with the Gaylord Chemical Acquisition and significant fees in connection with any delays in closing.

In addition to the purchase price, we will incur significant transaction costs in connection with the Gaylord Chemical and the Financings. Among these costs are fees or reimbursement of expenses under each of the Financings, including, notably, commitment, funding, duration, agency, and administration fees to the parties providing the Financings. Significant costs have been incurred and are expected to be incurred prior to the closing of the Gaylord Chemical Acquisition, including related to legal, accounting, diligence and other transaction fees and expenses.

There can be no assurance that the conditions to closing set forth in the Purchase Agreement or each of the Financings will be met or waived on the applicable timelines, or at all. As a result, we or our affiliates may incur significant costs or interest associated with any delays. Further, any delay in the closing of the Gaylord Chemical Acquisition will increase the related transaction costs. The substantial majority of these costs will be nonrecurring expenses related to the Gaylord Chemical Acquisition.

While we satisfy the closing conditions and pursue the Financings for the Gaylord Chemical Acquisition, we and Gaylord Chemical will be subject to business uncertainties that could adversely affect our and their businesses. Delays in closing the Gaylord Chemical Acquisition could exacerbate these uncertainties and adverse effects.

Uncertainty about the effect of the Gaylord Chemical Acquisition on the employees and customers of both the Company and Gaylord Chemical may have an adverse effect on us and Gaylord Chemical and, consequently, on the combined company. Although we and Gaylord Chemical intend to take actions to reduce any adverse effects during the time period before closing, these uncertainties may impair our and their ability to attract, retain and motivate key personnel until the Gaylord Chemical Acquisition is completed and for a period of time thereafter. These uncertainties could cause customers, suppliers and others that deal with Gaylord Chemical, and to a lesser degree, our business, to seek to change existing business relationships with the two companies. Alternately, it could cause third parties who are considering doing business with us or Gaylord Chemical to delay taking action until the outcome of the Gaylord Chemical Acquisition or the Financings is known. Employee retention could be reduced during the pendency of the Gaylord Chemical Acquisition, as employees of the Company or Gaylord Chemical may experience uncertainty about their future roles with the combined company. If, despite retention and business partner management efforts, we or Gaylord Chemical lose key employees or customer/supplier relationships because of concerns relating to the uncertainty and difficulty of the integration process or a desire not to remain with the combined company, the business, operations, prospects and financial results of the combined company could be harmed.

If the Gaylord Chemical Acquisition is completed, as owner, we will operate a large entity in an industry and locations in which we do not currently operate, subject to additional regulations, risks and uncertainties that we have not previously faced. These could exceed our expectations and have a negative impact on our financial condition and results of operations.

If the Gaylord Chemical Acquisition is consummated, the size of the Company and our operating segments following the transaction will change compared with our current operations. As a result, any risk or uncertainty that is significant to Gaylord Chemical will also be significant to us and have a negative effect on our financial condition and results of operations.

If Gaylord Chemical is unable to maintain compliance with U.S. federal, state and non-U.S. regulatory requirements, we could incur substantial costs, including fines, civil penalties and criminal sanctions, or costs associated with upgrades to improve facilities or changes in manufacturing processes in order to achieve and maintain regulatory compliance. While we intend to operate Gaylord Chemical largely as a stand-alone business, our results of operations, financial condition and stock price will depend on how Gaylord Chemical can handle its business risks and uncertainties. These risks and uncertainties may exceed our expectations, and it may take time for us to mitigate them.

The market price of our Common Stock after the Gaylord Chemical Acquisition may be affected by factors different from those affecting our shares currently.

Our current business differs from Gaylord Chemical in several ways, including industry, geographic area, and applicable regulations. As a result, if the Gaylord Chemical Acquisition is consummated, the results of operations of the combined company and the market price of shares of our Common Stock may be affected by factors different from those currently affecting our results of operations.

The Gaylord Chemical Acquisition may not be accretive to earnings and if not accretive, may cause dilution to our earnings per share.

We currently anticipate that the Gaylord Chemical Acquisition will be accretive to our adjusted earnings per share in the first complete fiscal year following its consummation. This expectation is based on our preliminary estimates, which may change materially. We may encounter additional or unforeseen transaction and integration-related costs, or we may fail to realize all of the anticipated benefits of the Gaylord Chemical Acquisition. Any of these factors could cause a decrease in our adjusted earnings per share or decrease or delay the expected accretive effect of the Gaylord Chemical Acquisition and contribute to a decrease in the price of our Common Stock.

Our acquisition of Gaylord Chemical may expose us to unknown or contingent liabilities for which we will not be adequately indemnified.

The entities that we will acquire in the Gaylord Chemical Acquisition may have unknown or contingent liabilities, including liabilities for failure to comply with environmental and other laws and regulations, and for litigation or other claims. The Purchase Agreement does not include indemnification provisions and, generally, Gaylord Chemical will not be obligated to indemnify us. Based on these provisions we may incur material liabilities for the past activities of Gaylord Chemical. Such liabilities and related legal or other costs and/or resulting reputational damage could negatively impact our business, financial condition and results of operations.

The proposed Financings in connection with the Gaylord Chemical Acquisition and future debt financing arrangements that we or our subsidiaries may enter into otherwise, may contain various covenants that limit our ability to take certain actions and also require us to meet financial maintenance tests. Failure to comply with these limits could have a material adverse effect on our operations, business and financial results.

Gaylord Chemical will have additional borrowing capacity under the Financings to finance a portion of the Gaylord Chemical Acquisition. Interest costs related to this indebtedness will be substantial. The facilities pursuant to the Financings and the instruments governing our other future indebtedness contain, or will contain, certain customary restrictions, covenants, provisions for mandatory repayment upon the occurrence of certain events, and provisions for events of default that will require us or Gaylord Chemical to satisfy certain financial tests and maintain certain financial ratios, restrict our or Gaylord Chemical's ability to engage in specified types of transactions, and otherwise limit the distributions of funds from Gaylord Chemical to us. This overall leverage and the terms of our financing arrangements could:

- limit the ability to pay dividends;
- make it more difficult to satisfy obligations under the terms of this indebtedness;
- limit the ability to refinance this indebtedness on terms acceptable to Gaylord Chemical or us, or at all;
- limit the flexibility to plan for and adjust to changing business and market conditions in the industries in which we or Gaylord Chemical operate and increase the vulnerability to general adverse economic and industry conditions;
- require the dedication of a substantial portion of cash flow to make interest and principal payments on such debt, thereby limiting the availability of cash flow to distribute to us or to fund future acquisitions, working capital, business activities, and other general corporate requirements;
- restrict sales of key assets;
- limit the ability to substantially change our business or enter into new lines of business;
- limit the ability to obtain additional financing for working capital, to fund growth or acquisitions or for general corporate purposes, even when necessary to maintain adequate liquidity, particularly if any ratings assigned to our debt securities by rating organizations were revised downward; or
- subject us to higher levels of indebtedness than our competitors, which may cause a competitive disadvantage and may reduce our flexibility in responding to increased competition.

In addition, the restrictive covenants pertaining to the Facilities and certain other indebtedness would or could require us to maintain specified financial ratios and satisfy other financial conditions and tests. Our ability to meet those financial ratios, conditions and tests will depend on our ongoing financial and operating performance, which, in turn, will be subject to economic conditions and to financial, market, and competitive factors, many of which are beyond our control. A breach of any of these covenants could result in a default under the instruments governing our indebtedness.

With respect to the Gaylord Chemical Acquisition, if consummated, challenges with integration, the industry, operations and other business, market and acquisition-related risks, as well as various uncertainties and events beyond our control, could affect our ability to comply with such restrictions and covenants. Failure to comply with any of the restrictions and covenants in our existing or future financing arrangements could result in a default under those arrangements and under other arrangements containing cross-default provisions.

Upon the occurrence of an event of default under any such financing arrangement, the relevant lenders could assess increased interest rates, accelerate the maturity of the debt or foreclose upon any collateral securing the debt. In this event, we may lack sufficient funds or other resources to satisfy all of our obligations. In addition, any limitations imposed by financing agreements on our ability to incur additional debt or to take other actions could significantly impair our ability to obtain other financing.

We do not currently control Gaylord Chemical and will not control Gaylord Chemical until the completion of the Gaylord Chemical Acquisition.

We will not control Gaylord Chemical unless and until the Gaylord Chemical Acquisition is completed. The Purchase Agreement imposes certain customary limitations on how Gaylord Chemical may be managed while the Gaylord Chemical Acquisition is pending, but there can be no assurance that Gaylord Chemical will be operated in the same way as it would be under our control.

Impairment of Gaylord Chemical's intangible assets could result in significant charges that could adversely impact our future operating results.

Gaylord Chemical is expected to have significant intangible assets, including goodwill, which are susceptible to impairment charges as a result of changes in various factors or conditions. As has been our past practice with our other operating subsidiaries, we will assess the potential impairment of goodwill and indefinite-lived intangible assets on an annual basis, as well as whenever events or changes in circumstances indicate that the carrying value may exceed fair value. We will assess finite-lived intangible assets whenever events or changes in circumstances indicate that the carrying value may exceed fair value. Adverse changes in the operations of our businesses or other unforeseeable factors could result in an impairment charge in future periods that could adversely impact our results of operations and financial position in that period.

Item 6. Exhibits.

Exhibit Number	Description
2.1	Stock Purchase Agreement, dated August 4, 2026, by and among ContextLogic Holdings, LLC, Salt Management Aggregator, LLC, EagleTree-Gaylord Management Investment, L.P., EagleTree-Gaylord Holdings Corp. and GCH Buyer, Inc. (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 5, 2026).
3.1*	Second Amended and Restated Certificate of Incorporation of Easter Parent, Inc., a Delaware corporation, effective July 14, 2026.
3.2	Amended and Restated Bylaws of ContextLogic Holdings Inc. (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K12G3 filed with the Securities and Exchange Commission on August 7, 2025).
10.1	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 29, 2026).
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

** Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ContextLogic Holdings Inc.

Date: August 13, 2026

By: /s/ Mark Ward
Mark Ward
President
(Principal Executive Officer)

By: /s/ Scott Stewart
Scott Stewart
Chief Financial Officer and Chief Operating Officer
(Principal Financial Officer)

Exhibit 3.1

SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF EASTER PARENT, INC.

(Pursuant to Sections 242 and 245 of the General Corporation Law of the State of Delaware)

Easter Parent, Inc., a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "***GCL***"), hereby certifies as follows:

1. That the name of this corporation is Easter Parent, Inc., and that this corporation was originally incorporated pursuant to the GCL on April 3, 2025 under the name Easter Parent, Inc.
2. An Amended and Restated Certificate of Incorporation, which amended and restated the corporation's certificate of incorporation in its entirety (the "***Amended and Restated Certificate***"), was filed with the Secretary of State of the State of Delaware on June 16, 2025.
3. That the Board of Directors of this corporation duly adopted resolutions proposing to amend and restate the certificate of incorporation of this corporation, declaring said amendment and restatement to be advisable and in the best interests of this corporation and its stockholders.
4. This Second Amended and Restated Certificate of Incorporation of the corporation, which restates and integrates and also further amends the provisions of the corporation's Amended and Restated Certificate and reflects a name change of the Corporation to ContextLogic Holdings Inc., was duly adopted in accordance with the provisions of Sections 242 and 245 of the GCL and by the written consent of its stockholders in accordance with Section 228 of the GCL. The certificate of incorporation of the corporation is hereby amended, integrated and restated to read in its entirety as follows:

ARTICLE I: NAME

The name of this corporation is ContextLogic Holdings Inc. (the "***Corporation***").

ARTICLE II: AGENT FOR SERVICE OF PROCESS

The address of the registered office of the Corporation in the State of Delaware is 251 Little Falls Drive, Wilmington, New Castle County, DE 19808, and the name of the registered agent of the Corporation in the State of Delaware at such address is Corporation Service Company.

ARTICLE III: PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended (the "***General Corporation Law***").

ARTICLE IV: AUTHORIZED STOCK

1. Total Authorized.

1.1 The total number of shares of all classes of stock that the Corporation has authority to issue is

3,100,000,000 shares, consisting of: 3,000,000,000 shares of Common Stock, \$0.0001 par value per share (the "***Common Stock***"), and 100,000,000 shares of Preferred Stock, \$0.0001 par value per share (the "***Preferred Stock***").

1.2 The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the requisite vote (or written consent if action by written consent of stockholders is permitted at such time under this Second Amended and Restated Certificate of Incorporation) of the holders of the capital stock of the Corporation entitled to vote thereon, and no vote of the holders of the Common Stock voting separately as a class shall be required therefor irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

2. Preferred Stock.

2.1 The Corporation's Board of Directors ("***Board of Directors***") is authorized, subject to any limitations prescribed by the law of the State of Delaware, by resolution or resolutions adopted from time to time, to provide for the issuance of shares of Preferred Stock in one or more series, and, by filing a certificate of designation pursuant to the applicable law of the State of Delaware ("***Certificate of Designation***"), to establish from time to time the number of shares to be included in each such series, to fix the designation, powers (including voting powers), preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, of the shares of each such series and, except where otherwise provided in the applicable Certificate of Designation, to increase (but not above the total number of authorized shares of the Preferred Stock) or decrease (but not below the number of shares of such series then outstanding) the number of shares of any such series. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the requisite vote (or written consent if action by written consent of stockholders is permitted at such time under this Second Amended and Restated Certificate of Incorporation) of the holders of the capital stock of the Corporation entitled to vote thereon, and no vote of the holders of the Preferred Stock voting separately as a class shall be required therefor, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law, unless a separate vote of the holders of one or more series of Preferred Stock is required pursuant to the terms of any Certificate of Designation.

2.2 Except as otherwise expressly provided in any Certificate of Designation designating any series of Preferred Stock pursuant to the foregoing provisions of this Article IV, (i) any new series of Preferred Stock may be designated, fixed and determined as provided herein by the Board of Directors without approval of the holders of Common Stock or the holders of Preferred Stock, or any series thereof, and (ii) any such new series may have powers, preferences and rights, including, without limitation, voting powers, dividend rights, liquidation rights, redemption rights and conversion rights, senior to, junior to or pari passu with the rights of the Common Stock, any series of the Preferred Stock, or any future class or series of capital stock of the Corporation.

3. Rights of Common Stock

3.1 Equal Status. Except as otherwise provided in this Second Amended and Restated Certificate of Incorporation or required by applicable law, shares of Common Stock shall have the same rights and powers, rank equally (including as to dividends and distributions, and upon any liquidation, dissolution or winding up of the Corporation), share ratably and be identical in all respects and as to all matters.

3.2 Voting Rights. Except as otherwise expressly provided by this Second Amended and Restated Certificate of Incorporation or as provided by applicable law, the holders of shares of Common Stock shall (a) at all times vote together as a single class on all matters (including the election of directors) submitted to a vote or for the consent (if action by written consent of stockholders is permitted at such time under this Second Amended and Restated Certificate of Incorporation) of the stockholders of the Corporation, (b) be entitled to notice of any stockholders' meeting in accordance with the Bylaws of the Corporation (as the same may be amended and/or restated from time to time, the "***Bylaws***") and (c) be entitled to vote upon such matters and in such manner as may be provided by applicable law; provided, however, that, except as otherwise required by applicable law, holders of shares of Common Stock shall not be entitled to vote on any amendment to this Second Amended and Restated Certificate of Incorporation (including any Certificate of Designation relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together as a class with the holders of one or more other such series, to vote thereon pursuant to this Second Amended and Restated Certificate of Incorporation (including any Certificate of

Designation relating to any series of Preferred Stock). Except as otherwise expressly provided herein or required by applicable law, each holder of Common Stock shall have the right to one (1) vote per share of Common Stock held of record by such holder.

3.3 Dividends and Distribution Rights. Shares of Common Stock shall be treated equally, identically and ratably, on a per share basis, with respect to any dividends or distributions as may be declared and paid from time to time by the Board of Directors out of any assets of the Corporation legally available therefor.

3.4 Subdivisions, Combinations or Reclassifications. Shares of Common Stock may not be subdivided, combined or reclassified unless proportionately subdivided, combined or reclassified in a manner that maintains the same proportionate equity ownership between the holders of the outstanding Common Stock on the record date for such subdivision, combination or reclassification; provided, however, that shares may be subdivided, combined or reclassified in a different or disproportionate manner if such subdivision, combination or reclassification is approved in advance by the affirmative vote (or written consent if action by written consent of stockholders is permitted at such time under this Second Amended and Restated Certificate of Incorporation) of the holders of a majority of the outstanding shares of Common Stock.

3.5 Liquidation, Dissolution or Winding Up. Subject to the preferential or other rights of any holders of Preferred Stock then outstanding, upon the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, holders of Common Stock will be entitled to receive ratably all assets of the Corporation available for distribution to its stockholders unless disparate or different treatment of the shares of such class with respect to distributions upon any such liquidation, dissolution or winding up is approved in advance by the affirmative vote (or written consent if action by written consent of stockholders is permitted at such time under this Second Amended and Restated Certificate of Incorporation) of the holders of a majority of the outstanding shares of Common Stock.

3.6 Merger or Consolidation. In the case of any distribution or payment in respect of the shares of Common Stock upon the merger or consolidation of the Corporation with or into any other entity, or in the case of any other transaction having an effect on stockholders substantially similar to that resulting from a merger or consolidation, such distribution or payment shall be made ratably on a per share basis among the holders of the Common Stock as a single class.

ARTICLE V: RESERVED

Reserved.

ARTICLE VI: AMENDMENT OF BYLAWS

The Board of Directors shall have the power to adopt, amend or repeal the Bylaws. Any adoption, amendment or repeal of the Bylaws by the Board of Directors shall require the approval of a majority of the Whole Board. For purposes of this Second Amended and Restated Certificate of Incorporation, the term "***Whole Board***" shall mean the total number of authorized directors whether or not there exist any vacancies in previously authorized directorships. The stockholders shall also have power to adopt, amend or repeal the Bylaws; provided, however, that, notwithstanding any other provision of this Second Amended and Restated Certificate of Incorporation or any provision of law that might otherwise permit a lesser or no vote, but in addition to any vote of the holders of any class or series of stock of the Corporation required by applicable law or by this Second Amended and Restated Certificate of Incorporation, the affirmative vote (or written consent if action by written consent of stockholders is permitted at such time under this Second Amended and Restated Certificate of Incorporation) of the holders of at least two-thirds (2/3) of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required for the stockholders to adopt, amend or repeal any provision of the Bylaws; provided, further, however, that, in the case of any proposed adoption, amendment or repeal of any provisions of the Bylaws that is approved by the Board of Directors and submitted to the stockholders for adoption thereby, if directors representing two-thirds (2/3) of the Whole Board have approved such adoption, amendment or repeal of any provisions of the Bylaws, then, in addition to any vote of the holders of any class or series of stock of the Corporation required by applicable law or by this Second Amended and Restated Certificate of Incorporation, only the affirmative vote (or written consent if action by written consent of stockholders is permitted at such time under this Second Amended and Restated Certificate of Incorporation) of the holders of at least a majority of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to adopt, amend or repeal such provision of the Bylaws.

ARTICLE VII:
MATTERS RELATING TO THE BOARD OF DIRECTORS

1. **Director Powers**. Except as otherwise provided by the General Corporation Law or this Certificate of Incorporation, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

2. **Number of Directors**. Subject to the special rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, the total number of directors constituting the Whole Board shall be fixed from time to time exclusively by resolution adopted by a majority of the Whole Board.

3. **Classified Board**. Subject to the special rights of the holders of one or more series of Preferred Stock to elect directors, immediately following 11:59 p.m. Pacific Time on the first day following ContextLogic Inc.'s 2021 Annual Meeting of Stockholders falling on or after the date on which the outstanding shares of class B common stock of ContextLogic Inc. represented less than forty percent (40%) of the total voting power of the then-outstanding shares of ContextLogic Inc. then entitled to vote generally in the election of directors. (the "***Voting Threshold Date***"), the directors shall be divided, with respect to the time for which they severally hold office, into three classes designated as Class I, Class II and Class III, respectively (the "***Classified Board***"). The Board of Directors is authorized to assign members of the Board of Directors already in office immediately prior to the Voting Threshold Date to such classes of the Classified Board. The number of directors in each class shall be divided as nearly equal as is practicable. The initial term of office of the Class I directors shall expire at the Corporation's first annual meeting of stockholders following the Voting Threshold Date, the initial term of office of the Class II directors shall expire at the Corporation's second annual meeting of stockholders following the Voting Threshold Date, and the initial term of office of the Class III directors shall expire at the Corporation's third annual meeting of stockholders following the Voting Threshold Date. At each annual meeting of stockholders following the Voting Threshold Date, directors elected to succeed those directors of the class whose terms then expire shall be elected for a term of office expiring at the third succeeding annual meeting of stockholders after their election.

4. **Term and Removal**. Each director shall hold office until the annual meeting at which such director's term expires and until such director's successor is duly elected and qualified, or until such director's earlier death, resignation, disqualification or removal. Any director may resign at any time upon notice to the Corporation given in writing or by any electronic transmission. Prior to the Voting Threshold Date, subject to the special rights of the holders of any series of Preferred Stock to elect directors, directors may be removed with or without cause by the affirmative vote (or written consent if action by written consent of stockholders is permitted at such time under this Second Amended and Restated Certificate of Incorporation) of the holders of a majority of the voting power of the then-outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class. From and after the Voting Threshold Date, subject to the special rights of the holders of any series of Preferred Stock to elect directors, no director may be removed from the Board of Directors except for cause and only by the affirmative vote of the holders of at least two-thirds (2/3) of the voting power of the then-outstanding shares of capital stock of the Corporation entitled to vote thereon, voting together as a single class. Subject to the special rights of the holders of any series of Preferred Stock to elect directors, in the event of any increase or decrease in the authorized number of directors occurring after the Voting Threshold Date, (a) each director then serving as such shall nevertheless continue as a director of the class of which he or she is a member and (b) the newly created or eliminated directorships resulting from such increase or decrease shall be apportioned by the Board of Directors among the classes of directors so as to make all classes as nearly equal in number as is practicable. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

5. **Vacancies and Newly Created Directorships**. Subject to the special rights of the holders of any series of Preferred Stock to elect directors, any vacancy occurring in the Board of Directors for any cause, and any newly created directorship resulting from any increase in the authorized number of directors, shall be filled only by the

affirmative vote of a majority of the directors then in office, even if less than a quorum, or by a sole remaining director, and shall not be filled by the stockholders. Any director elected in accordance with the preceding sentence shall hold office for a term expiring at the annual meeting of stockholders at which the term of office of the class, if any, to which the director has been assigned expires and until such director's successor shall have been duly elected and qualified, or until such director's earlier death, resignation, disqualification or removal.

6. Additional Directors Elected by the Preferred Stock. During any period when the holders of any series of Preferred Stock have the right to elect additional directors as provided for or fixed pursuant to the provisions of Article IV hereof (including any Certificate of Designation) (any such director, a "***Preferred Stock Director***"), and upon commencement and for the duration of the period during which such right continues: (i) the then otherwise total authorized number of directors of the Corporation shall automatically be increased by such number of Preferred Stock Directors that the holders of any series of Preferred Stock have a right to elect, and the holders of such Preferred Stock shall be entitled to elect the additional Preferred Stock Directors so provided for or fixed pursuant to said provisions; and (ii) each such Preferred Stock Director shall serve until his or her successor shall have been duly elected and qualified, or until his or her right to hold such office terminates pursuant to said provisions, whichever occurs earlier, subject to his or her earlier death, disqualification, resignation or removal. In case any vacancy shall occur among the Preferred Stock Directors, a successor Preferred Stock Director may be elected by the holders of Preferred Stock pursuant to said provisions. Except as otherwise provided for or fixed pursuant to the provisions of Article IV hereof (including any Preferred Stock Designation), whenever the holders of any series of Preferred Stock having such right to elect an additional Preferred Stock Director are divested of such right pursuant to said provisions, the terms of office of such Preferred Stock Director elected by the holders of such Preferred Stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional Preferred Stock Director, shall forthwith terminate (in which case such person shall cease to be qualified as a director and shall cease to be a director) and the total authorized number of directors of the Corporation shall be automatically reduced accordingly.

7. Vote by Ballot. Election of directors need not be by written ballot unless the Bylaws shall so provide.

8. No Cumulative Voting. No stockholder will be permitted to cumulate votes at any election of directors.

ARTICLE VIII: DIRECTOR LIABILITY

1. Limitation of Liability. To the fullest extent permitted by law, no director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. Without limiting the effect of the preceding sentence, if the General Corporation Law is hereafter amended to authorize the further elimination or limitation of the liability of a director, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law, as so amended.

2. Change in Rights. Neither any amendment nor repeal of this Article VIII, nor the adoption of any provision of this Second Amended and Restated Certificate of Incorporation inconsistent with this Article VIII, shall eliminate, reduce or otherwise adversely affect any limitation on the personal liability of a director of the Corporation or any rights or protections of any officer or director of the Corporation under this Article VIII with respect to acts or omissions occurring prior to the time of such amendment, repeal or adoption of such an inconsistent provision.

ARTICLE IX: MATTERS RELATING TO STOCKHOLDERS

1. No Action by Written Consent of Stockholders. Subject to the rights of any series of Preferred Stock then outstanding, from and after the Voting Threshold Date, (i) no action shall be taken by the stockholders of the Corporation except at a duly called annual or special meeting of stockholders and (ii) no action shall be taken by the stockholders of the Corporation by written consent in lieu of a meeting.

2. Special Meeting of Stockholders. Special meetings of the stockholders of the Corporation may be called only by the Chairperson of the Board, the Chief Executive Officer, the Lead Independent Director (as defined in the Bylaws) or the Board of Directors acting pursuant to a resolution adopted by a majority of the Whole Board, and may not be called by the stockholders or any other person or persons.

3. Advance Notice of Stockholder Nominations and Business Transacted at Special Meetings. Advance notice of stockholder nominations for the election of directors of the Corporation and of business to be brought by stockholders before any meeting of stockholders of the Corporation shall be given in the manner provided in the Bylaws. Business transacted at special meetings of stockholders shall be limited to the purpose or purposes stated in the notice of meeting.

ARTICLE X:
SEVERABILITY

If any provision of this Second Amended and Restated Certificate of Incorporation shall be held to be invalid, illegal, or unenforceable, then such provision shall nonetheless be enforced to the maximum extent possible consistent with such holding and the remaining provisions of this Second Amended and Restated Certificate of Incorporation (including without limitation, all portions of any section of this Second Amended and Restated Certificate of Incorporation containing any such provision held to be invalid, illegal, or unenforceable, which is not invalid, illegal, or unenforceable) shall remain in full force and effect.

ARTICLE XI:
AMENDMENT OF CERTIFICATE OF INCORPORATION

1. General. The Corporation reserves the right to amend or repeal any provision contained in this Second Amended and Restated Certificate of Incorporation in the manner prescribed by the laws of the State of Delaware and all rights conferred upon stockholders are granted subject to this reservation; provided, however, that, notwithstanding any provision of this Second Amended and Restated Certificate of Incorporation (including any Certificate of Designation) or any provision of law that might otherwise permit a lesser vote or no vote (other than Sections 1.2 and 2.1 of Article IV hereof), but in addition to any vote of the holders of any class or series of the stock of the Corporation required by applicable law or by this Second Amended and Restated Certificate of Incorporation (including any Certificate of Designation), and subject to Sections 1.2 and 2.1 of Article IV, the affirmative vote (or written consent if action by written consent of stockholders is permitted at such time under this Second Amended and Restated Certificate of Incorporation) of the holders of at least two-thirds (2/3) of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to amend or repeal, or adopt any provision inconsistent with, this Section 1 of this Article XI, Sections 1.2 and 2 of Article IV, or Article VI, Article VII, Article VIII, Article IX, Article X or Article XII (the "***Specified Provisions***"); provided, further, that if directors representing two-thirds (2/3) of the Whole Board have approved such amendment or repeal of, or any provision inconsistent with, the Specified Provisions, then only the affirmative vote (or written consent if action by written consent of stockholders is permitted at such time under this Second Amended and Restated Certificate of Incorporation) of the holders of at least a majority of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class (in addition to any other vote of the holders of any class or series of stock of the Corporation required by applicable law or by this Second Amended and Restated Certificate of Incorporation), shall be required to approve such amendment or repeal of, or the adoption of such provision inconsistent with, the Specified Provisions.

2. Changes to or Inconsistent with Section 3 of Article IV. Notwithstanding any other provision of this Second Amended and Restated Certificate of Incorporation (including any Certificate of Designation) or any provision of law that might otherwise permit a lesser vote or no vote, but in addition to any vote of the holders of any class or series of the stock of the Corporation required by law or by this Second Amended and Restated Certificate of Incorporation (including any Certificate of Designation), the affirmative vote (or written consent if action by written consent of stockholders is permitted at such time under this Second Amended and Restated

Certificate of Incorporation) of the holders of Common Stock representing at least seventy-five percent (75%) of the voting power of the then-outstanding shares of Common Stock shall be required to amend or repeal, or to adopt any provision inconsistent with, Section 3 of Article IV or this Section 2 of this Article XI.

ARTICLE XII: CHOICE OF FORUM

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for: (a) any derivative action or proceeding brought on behalf of the Corporation; (b) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, stockholder, employee or agent of the Corporation to the Corporation or the Corporation's stockholders; (c) any action asserting a claim against the Corporation arising pursuant to any provision of the General Corporation Law, this Second Amended and Restated Certificate of Incorporation or the Bylaws or as to which the General Corporation Law confers jurisdiction on the Court of Chancery of the State of Delaware; (d) any action to interpret, apply, enforce or determine the validity of this Second Amended and Restated Certificate of Incorporation or the Bylaws; or (e) any action asserting a claim against the Corporation governed by the internal affairs doctrine. This Article XII shall not apply to suits brought to enforce a duty or liability created by the Securities Exchange Act of 1934, as amended (the "***Exchange Act***") or any other claim for which the federal courts have exclusive jurisdiction.

To the fullest extent permitted by law, unless the Corporation consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended.

Any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article XII.

ARTICLE XIII CERTAIN STOCK REPURCHASES

In connection with repurchases by the Corporation of shares of Common Stock from employees, officers, directors, advisors, consultants or other persons performing services for this corporation or any subsidiary pursuant to agreements under which the Corporation has the option to repurchase such shares at cost upon the occurrence of certain events, such as the termination of employment, Section 500 of the California Corporations Code shall not apply in all or in part with respect to such repurchases. In the case of any such repurchases, distributions by the Corporation may be made without regard to the "preferential dividends arrears amount" or any "preferential rights amount," as such terms are defined in Section 500(b) of the California Corporations Code.

ARTICLE XIV TRANSFER RESTRICTIONS

1. Definitions. As used in this Article XIV, the following capitalized terms have the following meanings when used herein with initial capital letters (and any references to any portions of the Treasury Regulations hereunder shall include any successor provisions):

(a) "***4.9-percent Transaction***" means any Transfer described in clause (i) or (ii) of Section 2 of this Article XIV.

(b) "***4.9-percent Stockholder***" means a Person or group of Persons that is a "5-percent stockholder" of the Corporation pursuant to Treasury Regulation § 1.382-2T(g), as applied by replacing "5-percent" with "4.9-percent," where applicable.

(c) "***Agent***" has the meaning set forth in Section 5 of this Article XIV.

(d) A Person shall be deemed the "***Beneficial Owner***" of, and shall be deemed to "***Beneficially Own***" and have "***Beneficial Ownership***" of any securities (that are as such, "***Beneficially Owned***") that such Person actually owns, directly or indirectly, including any ownership by virtue of application of constructive ownership rules, with such direct, indirect and constructive ownership determined under the provisions of Section 382 of the Code and the Treasury Regulations thereunder, including, for the avoidance of doubt, any ownership whereby a Person owns Common Stock pursuant to a "coordinated acquisition" treated as a single "entity" as defined in Section 1.382-3(a)(1) of the Treasury Regulations, or such Shares are otherwise aggregated with Common Stock owned by such Person pursuant to the provisions of Section 382 of the Code and the Treasury Regulations thereunder. Notwithstanding the foregoing, a Person shall be deemed to Beneficially Own any Common Stock issuable or issued upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, that are in existence on the date hereof.

(e) "***Code***" means the United States Internal Revenue Code of 1986, as amended from time to time.

(f) "***Effective Date***" means the date on which this Article XIV became effective, upon filing of this Second Amended and Restated Certificate of Incorporation of the Corporation with the Secretary of State.

(g) "***Excess Securities***" has the meaning set forth in Section 4 of this Article XIV.

(h) "***Expiration Date***" means the earliest of (i) the repeal of Section 382 of the Code or any successor statute if the Board determines that this Article XIV is no longer necessary or desirable for the preservation of Tax Benefits; (ii) such date as the Board shall fix in its discretion; (iii) the beginning of a taxable year of the Corporation to which the Board determines that no Tax Benefits may be carried forward; or (iv) the date that is the third anniversary of the filing and effectiveness of this Certificate of Incorporation.

(i) "***Percentage Share Ownership***" means the percentage interest Beneficially Owned of any Person or group (as the context may require) for purposes of Section 382 of the Code as determined in accordance with Treasury Regulation § 1.382-2T(g), (h), (j) and (k) and Treasury Regulation § 1.382-4, or any successor provisions. Notwithstanding the foregoing, any Common Stock issuable or issued upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, that are in existence on the date hereof shall be included in the Percentage Share Ownership.

(j) "***Person***" means any individual, partnership, joint venture, limited liability company, firm, corporation, unincorporated association or organization, trust or other entity or any group of such "Persons" having a formal or informal understanding among themselves to make a "coordinated acquisition" of shares within the meaning of Treasury Regulation § 1.382-3(a)(1) or who are otherwise treated as an "entity" within the meaning of Treasury Regulation § 1.382-3(a)(1), and shall include any successor (by merger or otherwise) of any such entity or group.

(k) "***Prohibited Distributions***" means any and all dividends or other distributions paid by the Corporation with respect to any Excess Securities received by a Purported Transferee.

(l) "***Prohibited Transfer***" means any Transfer or purported Transfer of Shares to the extent that such Transfer is prohibited and/or void under this Article XIV.

(m) "***Purported Transferee***" has the meaning set forth in Section 4 of this Article XIV.

(n) "***Remedial Holder***" has the meaning set forth in Section 7 of this Article XIV.

(o) "***Shares***" means (i) the Common Stock, and (ii) any interest that would be treated as "stock" of the Corporation pursuant to Treasury Regulation § 1.382-2T(f)(18).

(p) "***Subsidiary***" means, with reference to any Person, any other Person of which (i) a majority of the voting power of the voting securities or equity interests is Beneficially Owned, directly or indirectly, by such first-mentioned Person or otherwise controlled by such first-mentioned Person or (ii) an amount of voting securities or equity interests sufficient to elect at least a majority of the directors (or other Persons similarly responsible for the direction of the business and affairs of such other Person) of such other Person is Beneficially Owned, directly or indirectly, by such first-mentioned Person, or otherwise controlled by such first-mentioned Person.

(q) "***Tax Benefits***" shall mean the net operating loss carryovers, capital loss carryovers, general business credit carryovers, carryovers of disallowed business interest described in Section 163(j)(2) of the Code, alternative minimum tax credit carryovers and foreign tax credit carryovers, as well as any loss or deduction attributable to a "net unrealized built-in loss" within the meaning of Section 382 of the Code, of the Company and any of its Subsidiaries.

(r) "***Transfer***" means, any direct or indirect sale, transfer, assignment, conveyance, pledge or other disposition, event or occurrence or other action taken by a Person, other than the Corporation, that alters the Percentage Share Ownership of any Person or group. A Transfer also shall include the creation or grant of an option (including an option within the meaning of Treasury Regulation § 1.382-4(d)), except that a Transfer shall not include the creation or grant of an option by the Corporation, nor shall a Transfer include the issuance of Shares by the Corporation.

(s) "***Transferee***" means any Person to whom Shares are Transferred.

(t) "***Treasury Regulations***" means the regulations, including temporary regulations or any successor regulations, promulgated under the Code, as amended from time to time.

2. Transfer and Ownership Restrictions. In order to preserve the Tax Benefits, from and after the Effective Date of this Article XIV any attempted Transfer of Shares prior to the Expiration Date and any attempted Transfer of Shares pursuant to an agreement entered into prior to the Expiration Date shall be prohibited and void *ab initio* to the extent that, as a result of such Transfer (or any series of Transfers of which such Transfer is a part), either (i) any Person or Persons would become a 4.9-percent Stockholder or (ii) the Percentage Share Ownership in the Corporation of any 4.9-percent Stockholder would be increased by more than one-half of one percentage point. The prior sentence is not intended to prevent Common Stock from being DTC-eligible and shall not preclude the settlement of any transaction in Common Stock entered into through the facilities of a national securities exchange; provided, however, that the Common Stock and parties involved in such transaction shall remain subject to the provisions of this Article XIV in respect of such transaction.

3. Exceptions.

The restrictions set forth in Section 2 of this Article XIV shall not apply to an attempted Transfer that is a 4.9-percent Transaction if the transferor or the Transferee obtains the written approval of the Board or a duly authorized committee thereof. As a condition to granting its approval pursuant to this Section 3 of this Article XIV, the Board or a duly authorized committee thereof may, in its discretion, require (at the expense of the transferor and/or Transferee) an opinion of counsel to be delivered to the Board or a duly authorized committee thereof that the Transfer shall not result in a limitation on the use of the Tax Benefits as a result of the application of Section 382 of the Code; provided that the Board or a duly authorized committee thereof may grant such approval notwithstanding the effect of such approval on the Tax Benefits if it determines that the approval is in the best interests of the Corporation. The Board or a duly authorized committee thereof may grant its approval in whole or in part with respect to such Transfer and may impose any conditions that it deems reasonable and appropriate in connection with such approval, including, without limitation, restrictions on the ability of any Transferee to Transfer Shares acquired through a Transfer. Approvals of the Board or a duly authorized committee thereof hereunder may be given prospectively or retroactively. The Board or a duly authorized committee thereof, to the fullest extent permitted by law, may exercise the authority granted by this Article XIV through duly authorized officers or agents of the Corporation. Nothing in this Section 3 of this Article XIV shall be construed to limit or restrict the Board or a duly authorized committee thereof in the exercise of its fiduciary duties under applicable law.

4. Excess Securities.

(a) No officer, director, employee or agent of the Corporation shall record any Prohibited Transfer, and the purported transferee of such a Prohibited Transfer (the "***Purported Transferee***") shall not be recognized as a stockholder of the Corporation for any purpose whatsoever in respect of any Shares that are the subject of the Prohibited Transfer (the "***Excess Securities***"). The Purported Transferee shall not be entitled, with respect to such Excess Securities, to any rights of a stockholder of the Corporation in respect of such Excess Shares, including, without limitation, the right to vote such Excess Securities or to receive dividends or distributions (whether liquidating or otherwise) thereon, and the Excess Securities shall be deemed to remain with the transferor unless and until the Excess Securities are transferred to the Agent pursuant to Section 5 of this Article XIV or until an approval is obtained under Section 3 of this Article XIV Section. After the Excess Securities have been acquired in a Transfer that is not a Prohibited Transfer, the Shares, which is the subject of the Prohibited Transfer, shall cease to be Excess Securities. For this purpose, any Transfer of Excess Securities not in accordance with the provisions of this Section 4 or Section 5 of this Article XIV shall also be a Prohibited Transfer.

(b) The Corporation may require as a condition to the registration of the Transfer of any Shares or the payment of any distribution on any Shares that the proposed Transferee or payee furnish to the Corporation all information reasonably requested by the Corporation with respect to its direct or indirect ownership interests in such Shares. The Corporation may make such arrangements or issue such instructions to its stock transfer agent as may be determined by the Board or a duly authorized committee thereof to be necessary or advisable to implement this Article XIV, including, without limitation, authorizing such transfer agent to require an affidavit from a Purported Transferee regarding such Person's actual and constructive ownership of Shares and other evidence that a Transfer will not be prohibited by this Article XIV as a condition to registering any transfer.

5. Transfer to Agent. If the Board or a duly authorized committee thereof determines that a Transfer of Shares constitutes a Prohibited Transfer, then, upon written demand by the Corporation sent within thirty days of the date on which the Board or a duly authorized committee thereof determines that the attempted Transfer would result in Excess Securities, the Purported Transferee shall transfer or cause to be transferred any certificate or other evidence of ownership of the Excess Securities within the Purported Transferee's possession or control, together with any Prohibited Distributions, to an agent designated by the Board or a duly authorized committee thereof (the "***Agent***"). The Agent shall thereupon sell to a buyer or buyers, which may include the Corporation, the Excess Securities transferred to it in one or more arm's-length transactions (on the public securities market on which such Excess Securities are traded, if possible, or otherwise privately); provided, however, that any such sale must not constitute a Prohibited Transfer and provided, further, that the Agent shall effect such sale or sales in an orderly fashion and shall not be required to effect any such sale within any specific time frame if, in the Agent's discretion, such sale or sales would disrupt the market for the Shares or otherwise would adversely affect the value of the Shares. Any Excess Securities resold by a Purported Transferee before the time at which the Corporation has delivered a demand to surrender such Excess Securities to the Agent shall be deemed to have been sold on behalf of and for the benefit of the Agent, and the Purported Transferee shall be required to transfer to the Agent any Prohibited Distributions and proceeds of such sale, except to the extent that the Corporation grants written permission to the Purported Transferee to retain a portion of such sale proceeds not exceeding the amount that the Purported Transferee would have received from the Agent pursuant to Section 6 of this Article XIV if the Agent rather than the Purported Transferee had resold the Excess Securities.

6. Application of Proceeds and Prohibited Distributions. The Agent shall apply any proceeds of a sale by it of Excess Securities, together with any Prohibited Distributions, as follows: (i) first, such amounts shall be paid to the Agent to the extent necessary to cover its costs and expenses incurred in connection with its duties hereunder; (ii) second, any remaining amounts shall be paid to the Purported Transferee, up to the amount paid by the Purported Transferee for the Excess Securities (or the fair market value at the time of the Transfer, in the event the purported Transfer of the Excess Securities was, in whole or in part, a gift, inheritance or similar Transfer) which amount (or fair market value) shall be determined at the discretion of the Board or a duly authorized committee thereof ; and (iii) third, any remaining amounts shall be paid to one or more organizations selected by the Board or a duly authorized committee thereof which is described under Section 501(c)(3) of the Code (or any comparable successor provision) and contributions to which are eligible for deduction under each of Sections 170(b)(1)(A) and 2055 of the Code. The Purported Transferee's sole right with respect to such Shares shall be limited to the amount payable to the Purported Transferee pursuant to this Section 6 of Article XIV. In no event shall the proceeds of any sale of Excess Securities pursuant to this Section 6 of Article XIV inure to the benefit of the Corporation or the Agent, except to the extent used to cover costs and expenses incurred by Agent in performing its duties hereunder.

7. Modification of Remedies for Certain Indirect Transfers. In the event of any Transfer which does not involve a transfer of Shares within the meaning of Delaware law but which would cause a 4.9-percent Stockholder to violate a restriction on Transfers provided for in this Article XIV, the application of Sections 5 and 6 of this Article XIV shall be modified as described in this Section 7 of this Article XIV. A 4.9-percent Stockholder and/or any Person whose ownership of Common Stock is attributed to such 4.9-percent Stockholder (such 4.9-percent Stockholder or other Person, a "***Remedial Holder***") shall be deemed to have disposed of and shall be required to dispose of sufficient Shares (which Shares shall be disposed of in the inverse order in which they were acquired) to cause such 4.9-percent Stockholder, following such disposition, not to be in violation of this Article XIV. Such disposition shall be deemed to occur simultaneously with the Transfer giving rise to the application of this provision, and such number of Shares that are deemed to be disposed of shall be considered Excess Securities and shall be disposed of through the Agent as provided in Sections 5 and 6 of this Article XIV, except that the maximum aggregate amount payable to a Remedial Holder in connection with such sale shall be the fair market value of such Excess Securities at the time of the purported Transfer. A Remedial Holder shall not be entitled, with respect to such Excess Securities, to any rights of stockholders of the Corporation, including, without limitation, the right to vote such Excess Securities and to receive dividends or distributions, whether liquidating or otherwise, in respect thereof, if any, following the time of the purported Transfer. All expenses incurred by the Agent in disposing of such Excess Securities shall be paid out of any amounts due such 4.9-percent Stockholder or such other Person. The purpose of this Section 7 of this Article XIV is to extend the restrictions in Sections 2 and 5 of this Article XIV to situations in which there is a 4.9-percent Transaction without a direct Transfer of Shares, and this Section 7 of Article XIV, along with the other provisions of this Article XIV, shall be interpreted to produce the same results, with differences as the context requires, as a direct Transfer of Shares.

8. Legal Proceedings; Prompt Enforcement. If the Purported Transferee fails to surrender the Excess Securities or the proceeds of a sale thereof to the Agent within thirty days from the date on which the Corporation makes a written demand pursuant to Section 5 of this Article XIV (whether or not made within the time specified in Section 5 of this Article XIV), then the Corporation may take such actions as it deems appropriate to enforce the provisions hereof, including the institution of legal proceedings to compel the surrender. Nothing in this Section 8 of Article XIV shall (i) be deemed inconsistent with any Transfer of the Excess Securities provided in this Article XIV being void *ab initio*, (ii) preclude the Corporation in its discretion from immediately bringing legal proceedings without a prior demand or (iii) cause any failure of the Corporation to act within the time periods set forth in Section 5 of this Article XIV to constitute a waiver or loss of any right of the Corporation under this Article XIV. The Board or a duly authorized committee thereof may authorize such additional actions as it deems advisable to give effect to the provisions of this Article XIV.

9. Liability. The Corporation reserves the right to take any and all actions and seek all remedies against any stockholder who knowingly violates the provisions of this Article XIV and any Persons controlling, controlled by or under common control with such stockholder, which may include seeking an award of damages suffered by the Corporation or its other stockholders as a result of such violation, including but not limited to damages resulting from a reduction in, or elimination of, the Corporation's ability to utilize its Tax Benefits, and attorneys' and auditors' fees incurred in connection with such violation.

10. Obligation to Provide Information. As a condition to the registration of the Transfer of any Shares, any Person who is a beneficial, legal or record holder of Shares, and any proposed Transferee and any Person controlling, controlled by or under common control with the proposed Transferee, shall provide such information as the Corporation may request from time to time in order to determine compliance with this Article XIV or the status of the Tax Benefits of the Corporation.

11. Legends. The Board or a duly authorized committee thereof may require that any certificates issued by the Corporation evidencing ownership of Shares that are subject to the restrictions on transfer and ownership contained in this Article XIV bear the following legend:

"THE CERTIFICATE OF INCORPORATION, AS AMENDED (THE "CERTIFICATE OF INCORPORATION"), OF THE CORPORATION CONTAINS RESTRICTIONS PROHIBITING THE TRANSFER (AS DEFINED IN THE CERTIFICATE OF INCORPORATION) OF SHARES OF COMMON STOCK OF THE CORPORATION (INCLUDING THE CREATION OR GRANT OF CERTAIN OPTIONS, RIGHTS AND WARRANTS) WITHOUT THE PRIOR AUTHORIZATION OF THE BOARD OF DIRECTORS OF THE CORPORATION (THE "BOARD") OR A COMMITTEE THEREOF IF SUCH TRANSFER AFFECTS THE PERCENTAGE OF SHARES OF COMMON STOCK OF THE CORPORATION (WITHIN THE MEANING OF SECTION 382 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") AND THE TREASURY REGULATIONS PROMULGATED THEREUNDER) THAT IS TREATED AS OWNED BY A 4.9-PERCENT STOCKHOLDER (AS DEFINED IN THE CERTIFICATE OF INCORPORATION). IF THE TRANSFER RESTRICTIONS ARE VIOLATED, THEN THE TRANSFER WILL BE VOID AB INITIO AND THE PURPORTED TRANSFEREE OF THE SHARES OF COMMON STOCK WILL BE REQUIRED TO TRANSFER EXCESS SECURITIES (AS DEFINED IN THE CERTIFICATE OF INCORPORATION) TO THE CORPORATION'S AGENT. IN THE EVENT OF A TRANSFER WHICH DOES NOT INVOLVE SECURITIES OF THE CORPORATION WITHIN THE MEANING OF THE GENERAL CORPORATION LAW OF THE

STATE OF DELAWARE ("SECURITIES") BUT WHICH WOULD VIOLATE THE TRANSFER RESTRICTIONS, THE PURPORTED TRANSFEREE (OR THE RECORD OWNER) OF THE SECURITIES THAT VIOLATE THE TRANSFER RESTRICTIONS WILL BE REQUIRED TO TRANSFER SUFFICIENT SECURITIES PURSUANT TO THE TERMS PROVIDED FOR IN THE CERTIFICATE OF INCORPORATION TO CAUSE THE 4.9-PERCENT STOCKHOLDER TO NO LONGER BE IN VIOLATION OF THE TRANSFER RESTRICTIONS. THE CORPORATION WILL FURNISH WITHOUT CHARGE TO THE HOLDER OF RECORD OF THIS CERTIFICATE A COPY OF THE CERTIFICATE OF INCORPORATION CONTAINING THE ABOVE-REFERENCED TRANSFER RESTRICTIONS UPON WRITTEN REQUEST TO THE CORPORATION AT ITS PRINCIPAL PLACE OF BUSINESS."

The Board or a duly authorized committee thereof may also require that any certificates issued by the Corporation evidencing ownership of Shares that are subject to conditions imposed by the Board or a duly authorized committee thereof under Section 3 of this Article XIV also bear a conspicuous legend referencing the applicable restrictions.

12. Authority of the Board.

(a) The Board or a duly authorized committee thereof shall have the power to determine all matters necessary for assessing compliance with this Article XIV, including, without limitation, (1) the identification of 4.9-percent Stockholders, (2) whether a Transfer is a 4.9-percent Transaction or a Prohibited Transfer, (3) the Percentage Share Ownership in the Corporation of any 4.9-percent Stockholder, (4) whether an instrument constitutes a Share or Shares, (5) the amount (or fair market value) due to a Purported Transferee pursuant to Section 6 of this Article XIV, (6) whether the benefit to be derived from the Tax Benefits is material; (7) whether enforcement of the provisions of this Article XIV should be deferred or suspended for one or more periods upon a determination by the Board or a duly authorized committee thereof that the benefits from the Tax Benefits are not material or reasonably expected to be material; and (8) any other matters which the Board or a duly authorized committee thereof determines to be relevant. In addition, the Board may, to the extent permitted by law, from time to time establish, modify, amend or rescind by-laws, regulations and procedures of the Corporation not inconsistent with the provisions of this Article XIV for purposes of determining whether any Transfer of Shares would jeopardize or endanger the Corporation's ability to preserve and use the Tax Benefits and for the orderly application, administration and implementation of this Article XIV.

(b) Nothing contained in this Article XIV shall limit the authority of the Board or a duly authorized committee thereof to take such other action to the extent permitted by law as it deems necessary or advisable to protect the Corporation and its Stockholders in preserving the Tax Benefits. Notwithstanding anything to the contrary herein and to the fullest extent permitted by applicable law, unless the Board or a duly authorized committee thereof determines otherwise, in the event of any change to Section 382 of the Code and the applicable Treasury Regulations, any of the ownership interest percentages in the Corporation or the Persons or groups covered by this Article XIV shall automatically be deemed to be modified to the extent necessary to reflect such changes as is necessary to prevent an ownership change for purposes of Section 382 of the Code.

(c) In the case of any ambiguity in the application of any of the provisions of this Article XIV, including any definition used herein, the Board or a duly authorized committee thereof shall have the power to determine the application of such provisions with respect to any situation based on its reasonable belief, understanding or knowledge of the circumstances. In the event this Article XIV requires an action by the Board but fails to provide specific guidance with respect to such action, the Board or a duly authorized committee thereof shall have the power to determine the action to be taken so long as such action is not contrary to the provisions of this Article XIV. The Board or a duly authorized committee thereof may , to the fullest extent permitted by law, delegate the authority granted by this Article XIV to duly authorized officers or agents of the Corporation. Nothing in this Article XIV shall be construed to limit or restrict the Board or a duly authorized committee thereof in its exercise of its fiduciary duties under applicable law.

13. Reliance. To the fullest extent permitted by law, the Corporation and the members of the Board shall be fully protected in relying in good faith upon the information, opinions, reports or statements of the Chief Executive Officer, President, Chief Financial Officer, Secretary, Treasurer, Chief Legal Officer and Secretary of the Corporation and the Corporation's legal counsel, independent auditors, transfer agent, investment bankers or other employees and agents in making the determinations and findings contemplated by this Article XIV. For purposes of determining the existence and identity of, and the amount of any Shares owned by, any Stockholder, the Corporation (including members of the Board and officers) is entitled to rely on the existence and absence of filings of Schedule 13D or 13G under the Exchange Act (or similar filings), as of any date, subject to its actual knowledge of the ownership of Shares.

14. Benefits of this Article XIV. Nothing in this Article XIV shall be construed to give to any Person other than the Corporation (including members of the Board or officers of the Corporation acting on behalf of the Corporation or taking action required or permitted to be taken by them under this Article XIV) or the Agent any legal or equitable right, remedy or claim under this Article XIV.

15. Severability. The purpose of this Article XIV is to facilitate the Corporation's ability to maintain or preserve its Tax Benefits. If any provision of this Article XIV or the application of any such provision to any Person or under any circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision of this Article XIV.

16. Waiver. With regard to any power, remedy or right provided herein or otherwise available to the Corporation or the Agent under this Article XIV, (i) no waiver will be effective unless expressly contained in a writing signed by the waiving party and (ii) no alteration, modification or impairment will be implied by reason of any previous waiver, extension of time, delay or omission in exercise or other indulgence.

17. Interpretation. Nothing in this Article XIV shall be construed to limit or restrict the Board or a duly authorized committee thereof in the exercise of its fiduciary duties under applicable law. All provisions of this Article XIV shall be construed to operate in a manner that is permitted by applicable law.

ARTICLE XV CORPORATE OPPORTUNITIES

(a) Scope. The provisions of this Article XV are set forth to define, to the fullest extent permitted by applicable law, the duties of Exempted Persons (as defined below) to the Corporation with respect to certain classes or categories of business opportunities. "Exempted Persons" means each of Abrams Capital Management, LLC ("Abrams Capital") and its affiliated investment funds, BC Partners LLP and its affiliates, including BCP Special Opportunities Fund III Originations LP (collectively, "BC Partners"), and all of their respective affiliates (other than the Corporation and its subsidiaries) and all of their respective partners, principals, directors, officers, members, managers and/or employees, including any of the foregoing who serve as officers or directors of the Corporation. "Alternative Opportunities" means any business opportunities, investments, acquisitions, financings, partnerships, strategic transactions, or other ventures that may include the same or similar business activities or lines of business as, or that overlap with or compete with, the present or future potential business of the Corporation or any of its subsidiaries.

(b) Competition and Allocation of Corporate Opportunities. The Exempted Persons shall not have any fiduciary duty to refrain from engaging directly or indirectly in the same or similar business activities or lines of business as the Corporation or any of its subsidiaries, making investments in any kind of property or other interests in which the Corporation makes or may make investments, or otherwise competing with the Corporation or any of its subsidiaries. To the fullest extent permitted by applicable law, the Corporation, on behalf of itself and its subsidiaries, renounces any interest or expectancy of the Corporation and its subsidiaries in, or in being offered an opportunity to participate in, Alternative Opportunities that are from time to time available or presented to the Exempted Persons, even if the opportunity is in the line of business of the Corporation or its subsidiaries or is otherwise one that the Corporation or its subsidiaries might reasonably be deemed to have pursued or had the ability or desire to pursue if granted the opportunity to do so, and each such Exempted Person shall have no duty to communicate or offer such Alternative Opportunity to the Corporation (and there shall be no restriction on the Exempted Persons using the general knowledge and understanding of the Corporation and the industry in which it operates which it has gained as an Exempted Person in considering and pursuing such opportunities or in making investment, voting, monitoring, governance or other decisions relating to other entities or securities) and, to the fullest extent permitted by applicable law, shall not be liable to the Corporation or any of its subsidiaries or stockholders for breach of any fiduciary or other duty, as a director or officer or otherwise, by reason of the fact that such Exempted Person pursues or acquires such Alternative Opportunity, directs such Alternative Opportunity to another person or fails to present such Alternative Opportunity, or information regarding such Alternative Opportunity, to the Corporation or its subsidiaries, or uses such knowledge and understanding in the manner described herein. Each Exempted Person shall have the right to hold any such Alternative Opportunity for its own account and benefit, or to direct, recommend, assign, or otherwise transfer such Alternative Opportunity to persons or entities other than the Corporation or any of its subsidiaries. Notwithstanding the foregoing provisions of this Section (b) of Article XV, this Article XV shall not apply to any Alternative Opportunity that is expressly offered in writing to an Exempted Person solely in his or her capacity as a director or officer of the Corporation.

(c) Certain Matters Deemed Not Corporate Opportunities. In addition to and notwithstanding the foregoing provisions of this Article XV, a corporate opportunity shall not be deemed to belong to the Corporation if it is an Alternative Opportunity that the Corporation is not financially able or contractually permitted or legally able to undertake, or that is, from its nature, not in the line of the Corporation's business or is of no practical advantage to it or that is one in which the Corporation has no interest or reasonable expectancy.

(d) Amendment of this Article. No amendment or repeal of this Article XV in accordance with the provisions of Article XI shall apply to or have any effect on the liability or alleged liability of any Exempted Person for or with respect to any activities or opportunities of which such Exempted Person becomes aware prior to such amendment or repeal. This Article XV shall not limit any protections or defenses available to, or indemnification or advancement rights of, any director or officer of the Corporation under this Second Amended and Restated Certificate of Incorporation, the Corporation's Bylaws or applicable law.

IN WITNESS WHEREOF, Easter Parent, Inc. has caused this Second Amended and Restated Certificate of Incorporation to be executed by its duly authorized officer as of this 25th day of July, 2025.

EASTER PARENT, INC.

/s/ Marianne Lewis Name: Marianne Lewis Title: Secretary

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark Ward, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ContextLogic Holdings Inc.;
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2026

By: /s/ Mark Ward
Mark Ward
President
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Scott Stewart, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ContextLogic Holdings Inc.;
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2026

By: /s/ Scott Stewart
Scott Stewart
Chief Financial Officer and Chief Operating Officer
(Principal Financial Officer)

Exhibit 32.1

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of ContextLogic Holdings Inc. (the “Company”) on Form 10-Q for the period ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company for the period presented therein.

Date: August 13, 2026

By: /s/ Mark Ward
Mark Ward
President
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of ContextLogic Holdings Inc. (the “Company”) on Form 10-Q for the period ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company for the period presented therein.

Date: August 13, 2026

By: /s/ Scott Stewart
Scott Stewart
Chief Financial Officer and Chief Operating Officer
(Principal Financial Officer)