

Re: Audit inquiry letter – litigation, claims and assessments as of December 31, 2024.

Matter A (workplace injury claim, filed 2024): In our judgment an unfavorable outcome is PROBABLE and the loss is reasonably estimable at approximately 44,200.00, which we understand the Company has accrued.

Matter B (commercial contract dispute, asserted December 2024): An unfavorable outcome is REASONABLY POSSIBLE but not probable. We estimate the range of loss at 54,700.00 to 120,400.00. No amount has been accrued; the Company should consider footnote disclosure under ASC 450.

We are not aware of any other pending or threatened litigation, claims or assessments requiring accrual or disclosure.

Whitfield & Granger LLP, Counsel