



12/16/2025

Hi Todd,

I wanted to provide you a brief update on the business at Rockford Brake Manufacturing as we continue to work through our start-up

After our announcement on October 27th it's been a great effort by everyone on the team to establish Rockford Brake in the market, and re-introduce Gunite brake drums. Our team has quickly grown to over 100 members, approximately 85% of those up to this point had previously been employees at the site.

We had heard from many sources who had reviewed purchasing the business that it could never be restarted, or that it would take 6 months and \$30M to do so. The Rockford Brake team executed our start up on time and on budget, less than 6 weeks and \$3M later we started into production, successfully producing approximately 10,000 brake drums in a little over a week. Our start-up model involves the same team members moving from one side of the facility to the other, where they finish machine the products we produce in the foundry. We were able to successfully start the CNC assets and machine and package the drums, the majority of which have already been shipped to customers.

It was critical that we were able to finish two campaigns to fully cure the melting cupola and furnace before the weather turned to consistently below zero, we restarted the foundry in early December, producing approximately 20,000 castings prior to completing our run on December 19th. This second run doubled our output entirely through productivity, and included shifts of over 2,500 pieces moving closer to the historical rates of production of the business that are needed for the business to hit it's profitability goals.

Up to this point we have shipped approximately \$600,000 of product to 14 different states, with over \$250K of booked sales prior to year end. We have also received blanket orders for \$1M on our highest running product, and have submitted our production samples to our OEM truck

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customer, that will provide ongoing revenue of approximately \$1M per month that we expect to begin shipping in 1Q26.

As we expected in our plan our cash consumption is higher than our revenue until the middle of next year and we continue to work with multiple sources on investment in the business, in conversations with Rockford community bank we have been able to secure \$0.5M in financing prior to year end, with the expectation that our small business loan funds become available in early 1Q25, that should provide the bridge allowing us to leverage our assets to fully collateralize the assets we continue to build in working capital. We're thankful for the continued support of the community of the community as we continue to move forwards.

I'd invite you and all your colleagues at the City of Rockford to follow The Rockford Brake Manufacturing LinkedIn page <https://www.linkedin.com/company/rockford-brake> which is now up to almost 700 followers to continue to stay updated with our story. America loves a comeback story, we're giving them one

Sincerely,

A handwritten signature in black ink, appearing to read "P. Wright", with a long, sweeping horizontal line extending to the right.

Paul Wright
CEO

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