

## Risk Factors Comparison 2025-02-25 to 2024-02-27 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text Section**

In addition to the other information in this Annual Report on Form 10-K and the Company's other filings with the SEC, the following risk factors should be carefully considered in evaluating the Company and its business before investing in the Company's common stock. The risks and uncertainties described below are not the only ones facing the Company. Additional risks and uncertainties, not presently known to the Company or otherwise, may also impair the Company's business. Although the risks are organized by headings, and each risk is discussed separately, many are interrelated. If any of the risks actually occur, the Company's business, financial condition, results of operations or stock price could be materially and adversely affected.

**Risks Related to Our Business and Operations** The Company is subject to risks relating to its global operations. The Company is a U. S.- based multinational corporation that has global operations. Operating globally subjects the Company to a number of operational risks relating to changes in government regulations and policies in a large number of jurisdictions around the world, including those related to tariffs and trade barriers, investments, property ownership rights, taxation, and exchange controls. Increasing emphasis and changing expectations with respect to environmental, social and governance matters may impose additional costs on the Company or expose the Company to new or additional risks. In addition, changes in the relative values of currencies occur from time to time and could affect the Company's operating results. ~~Further, existing free trade laws and regulations provide certain beneficial duties and tariffs for qualifying imports and exports, subject to compliance with the applicable classification and other requirements. Changes in laws or policies governing the terms of international trade, and in particular increased trade restrictions, tariffs or taxes on imports from countries where the Company manufactures products could have a material adverse impact on the Company's business and financial~~ results. Part of the strategy to expand worldwide market share is strengthening the Company's non- U. S. distribution network. A part of this strategy also includes decreasing costs by sourcing basic components in lower- cost countries. Implementation of this part of the strategy may increase the ~~impact of the risks~~ **and potential impacts** to global operations and there can be no assurance that such risks will not have an adverse effect on the Company's revenues, profitability or market share. Economic and political conditions in the ~~United States~~ **U. S.** and abroad may lead to significant changes in tax rules and regulations. For example, proposals to reform non- U. S. tax laws or other regulations could significantly impact how multinational corporations do business. The Company's effective income tax rate could be volatile and materially change as a result of changes in tax laws, **geographic** mix of earnings and other factors. Although the Company cannot predict the final form or impact of any regulation or other proposal, if adopted at all, such regulations and proposals could, if enacted, have a material adverse impact on the Company's profitability. Furthermore, international trade may also be disrupted by geopolitical conflict and hostilities in the regions or involving the countries in which the Company operates. This could aggravate each of the foregoing risks, as well as disrupt our ability to operate in affected areas, including collecting on commercial receivables. The Company relies on the timely and free flow of goods through open and operational international shipping lanes and ports from suppliers and manufacturing locations. Disruptions of shipping lanes from labor disputes or sea piracy, or at ports, common carriers, or suppliers could create significant risks, particularly if these disputes result in work slowdowns, lockouts, strikes, or other disruptions during periods of significant importing or manufacturing. These factors could potentially result in delayed or cancelled orders by customers, unanticipated inventory accumulation or shortages, and harm to the business, results of operations, and financial condition. In addition, operating globally subjects the Company to risks related to the health and welfare of its employees and the employees of suppliers, as well as the workplaces where the Company's products or critical components from suppliers are manufactured. Conditions resulting from natural disasters or global health epidemics or pandemics may prevent or delay the Company's ability to obtain critical components or manufacture and sell the Company's products. These disruptions could materially affect the Company's liquidity, operations and revenues and profitability could be significantly reduced. **Changes in existing free trade laws and regulations or tariffs could materially reduce the Company's profitability. Existing free trade laws and regulations provide certain beneficial duties and tariffs for qualifying imports and exports, subject to compliance with the applicable classification and other requirements. Changes in or uncertainty surrounding, laws or policies governing the terms of international trade, and in particular increased trade restrictions, tariffs or taxes on imports from countries where the Company manufactures products could have a material adverse impact on the Company's business and financial results. In February 2025, the United States announced substantial tariffs on Canada, China and Mexico and restored tariffs on imported steel and aluminum without regard to the location of the seller. There exists substantial uncertainty as to whether all of these tariffs will be fully implemented or sustained. The Company depends is monitoring these actions, which could have an adverse impact on a limited number of suppliers the Company's business strategy, market share and operating results. There can be no assurances that these tariffs will not be implemented for- or increased in the future, with the previously mentioned countries or additional countries with which the Company does business. The degree to which these changes in U. S. trade policy affect the Company's operating results will be influenced by the specific critical components. The details of the changes in trade policies, their timing and duration, and the Company depends' s effectiveness in deploying tools and strategies to address these issues. In addition, retaliatory tariffs imposed by other countries or other potential government actions, could result in further adverse impacts on a limited number of suppliers for some of its critical components, including diesel, gasoline and fuel cell engines and cast- iron counterweights used to counterbalance some lift trucks. Some of these-- the critical components Company's business, market are share imported and operating** subject to regulation, primarily with respect to customary inspection of such products by the

U. S. Customs and Border Protection under the auspices of the U. S. Department of Homeland Security. Although most components are available from numerous sources or in quantities sufficient to meet requirements, the Company has experienced significant shortages of key components for certain products which has negatively affected and may in the future negatively affect production levels. The results of operations and liquidity position have been..... planned dividends, or adopt other measures. The cost of raw materials used by the Company's products has fluctuated and may continue to fluctuate, which could materially reduce the Company's profitability. The Company has experienced and may continue to experience significant increases in materials costs, primarily as a result of inflationary pressures and global increases in the costs of industrial metals, including steel, lead and copper and other commodities, such as rubber, as a result of increased demand and limited supply. The Company manufactures products that include raw materials that consist of steel, rubber, copper, lead, castings and counterweights. The Company also purchases parts provided by suppliers that are manufactured from castings and steel or contain lead. The cost of these parts is affected by the same economic conditions that impact the cost of the parts the Company manufactures. The cost to manufacture lift trucks and related service parts has been and may continue to be affected by fluctuations in prices for these raw materials. If costs of these raw materials increase, the Company's profitability could be materially reduced. Failure to compete effectively within the Company's industry could result in a significant decrease in revenues and profitability. The Company experiences intense competition in the sale of lift trucks and aftermarket parts. Competition in the lift truck industry is based primarily on strength and quality of dealers, brand loyalty, customer service, new lift truck availability and sales prices, availability of products and aftermarket parts and their prices, comprehensive product line offerings, product performance, quality and innovation, including lift truck features, and the cost of ownership over the life of the lift truck. The Company competes with several global manufacturers that operate in all major markets. These manufacturers may have lower manufacturing costs, offer differentiated products at competitive prices, provide better performance and have greater financial resources than the Company, which may enable them to commit larger amounts of capital in response to changing market conditions. If the Company fails to compete effectively, revenues and profitability could be significantly reduced. If the Company's strategic initiatives, including the introduction of new products, do not prove effective, revenues, profitability and market share could be significantly reduced. Changes in the timing of implementation of the Company's current strategic initiatives may result in a delay in the expected recognition of future costs and realization of future benefits. In addition, if future industry demand levels are lower than expected or customers' demands change, the Company may not be successful in implementing its strategic initiatives. If the Company is unable to successfully implement these strategic initiatives, revenues, profitability, growth prospects and market share could be significantly reduced. Failure to compete effectively within the Company..... and profitability could be significantly reduced. The lift truck business is cyclical. Any downturn in the general economy could result in significant decreases in the Company's revenue and profitability and an inability to sustain or grow the business. The Company's lift truck business historically has been cyclical. Fluctuations in the rate of orders for lift trucks, attachments and fuel- cell technology reflect the capital investment decisions of the Company's customers, which depend to a certain extent on the general level of economic activity in the various industries the customers serve. During economic downturns, customers tend to delay new lift truck and parts purchases or may cancel or postpone orders. Consequently, the Company has experienced, and in the future may continue to experience, significant fluctuations in revenues and net income. If there is a downturn in the general economy, or in the industries served by lift truck customers, the Company's revenue and profitability could decrease significantly, and the Company may not be able to sustain or grow the business. The pricing and costs of the..... risks from changes in currency exchange rates. The Company relies primarily on its network of independent dealers to sell lift trucks and aftermarket parts and the Company has no direct control over sales by those dealers to customers. The loss of or ineffective or poor performance by these independent dealers could result in a significant decrease in revenues and profitability and the inability to sustain or grow the business. The Company relies primarily on independent dealers for sales of lift trucks and aftermarket parts. Sales of the Company's products are therefore subject to the quality and effectiveness of the dealers, who are not subject to the Company's direct control and may depend on the quality and effectiveness of the dealers, including their service repair capabilities. As a result, ineffective or poorly performing dealers could result in a significant decrease in revenues and profitability and the Company may not be able to sustain or grow its business. The pricing and costs of the Company's products have been and may continue to be impacted by currency fluctuations, which could materially increase costs, and result in material exchange losses and reduce operating margins. Because the Company conducts transactions in various currencies, including euros, Japanese yen, U.S. dollars, euros, Japanese yen, Chinese renminbi, British pounds, Swedish kroner, Mexican pesos and Australian dollars, lift truck pricing is subject to the effects of fluctuations in the value of these currencies and fluctuations in the related currency exchange rates. As a result, the Company's sales have historically been affected by, and may continue to be affected by, these fluctuations. In addition, exchange rate movements between currencies in which the Company purchases materials and components and manufactures certain products and the currencies in which the Company sells those products have been affected by and may continue to result in exchange losses that could materially reduce operating margins. Furthermore, the Company's hedging contracts may not fully offset risks from changes in currency exchange rates. The Company may not be successful in commercializing Nuvera's technology, which success would depend, in part, on the Company's ability to protect Nuvera's intellectual property. The Company may not be able to commercialize Nuvera's fuel- cell technologies on economically efficient terms. Unforeseen difficulties, such as delays in development due to design defects or changes in specifications and insufficient research and development resources or, cost overruns or availability of key components such as hydrogen, may hinder the Company's ability to incorporate Nuvera's technologies into its product lines or generate revenues to third- parties on an economically favorable basis or at all. Furthermore, Nuvera's commercial success will depend largely on the Company's ability to maintain patent and other intellectual property protection covering certain of Nuvera's technologies. Nuvera's fuel- cell technology may not be economically viable if the Company is unable to prevent others from infringing or successfully challenging the validity of

certain patents and other intellectual property rights attributable to Nuvera. If the global capital goods market declines, the cost saving efforts the Company has implemented may not be sufficient to achieve the benefits expected. If the global economy or the capital goods market declines, revenues could decline. If revenues are lower than expected, the programs the Company has implemented may not achieve the benefits expected. Furthermore, the Company may be forced to take additional cost saving steps that could result in additional charges that materially adversely affect the ability to compete or implement the Company's current business strategies. The Company is subject to recourse or repurchase obligations with respect to the financing arrangements of some of its customers. Through arrangements with WF and others, dealers and other customers are provided financing for new lift trucks in the United States and in major countries of the world outside of the United States. Through these arrangements, the Company's dealers and certain customers are extended credit for the purchase of lift trucks to be placed in the dealer's floor plan inventory or the financing of lift trucks that are sold or leased to customers. For some of these arrangements, the Company provides recourse or repurchase obligations such that it would become obligated in the event of default by the dealer or customer. Total amounts subject to these types of obligations were \$ 162.4 million and \$ 133.2 million at December 31, 2023 and 2022, respectively. Generally, the Company maintains a perfected security interest in the related assets financed such that, in the event the Company becomes obligated under the terms of the recourse or repurchase obligations, it may take title to the assets financed. The Company cannot be certain, however, that the security interest will equal or exceed the amount of the recourse or repurchase obligations. In addition, the Company cannot be certain that losses under the terms of the recourse or repurchase obligations will not exceed the reserves that have been set aside in the consolidated financial statements. The Company could incur a charge to earnings if reserves prove to be inadequate, which could have a material adverse effect on results of operations and liquidity for the period in which the charge is taken. Other products may be introduced to the market by competitors, making the Nuvera technology less marketable. The use of fuel- cell technology in industrial and commercial applications is a relatively new development. Companies implementing such technology face competition from competitors that integrate more traditional energy technologies into their product lines, as well as competitors that have implemented or are implementing alternatives to traditional energy technologies, such as lithium- ion batteries, fuel additives and other high efficiency or "renewable" technologies. Any of these technologies may have more established or otherwise more attractive manufacturing, distribution and operating cost features, which could negatively impact customers' preferences for product lines that incorporate fuel- cell technology and, as a result, diminish the marketability of products incorporating Nuvera technology.

**Risks Related to Cybersecurity** The Company may be unable to protect its information systems against service interruptions, data corruption, **cybersecurity incidents**, ~~cyber-based attacks~~ or network breaches, which have in the past and could in the future disrupt business **strategy and** operations and could materially adversely affect the Company's **operating results of operations**, financial **position condition** or reputation. The Company relies on information technology networks and systems, some of which are managed by third parties, in connection with various business activities. These activities include processing, transmitting and storing electronic information, and managing or supporting a variety of business processes and activities, including supply chain, manufacturing, distributing, invoicing and collection. The Company uses information systems to record, process and summarize financial information and results of operations for internal reporting purposes and to comply with regulatory financial reporting and legal and tax requirements. The Company's information systems, **or those of our third-party business partners**, have been and may in the future be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading or replacing software, databases or components; power outages; hardware failures; user error; insider threats; or cybersecurity threats **and cybersecurity incidents**, including, but not limited to, ransomware, malware, **fraud**, phishing **or other social engineering attempts** and denial of service attacks, which are increasing in frequency and sophistication. In addition, security breaches, whether in the Company's systems or those of third **- party business parties partners** ~~on which the Company relies~~, could result in unauthorized access to and disclosure of confidential, personal or sensitive information and loss of intellectual property and pose a risk to the security, confidentiality, availability and integrity of the Company's data, as well as the data of the Company's suppliers, customers and employees. While **the Company is committed to adhering to evolving regulatory cybersecurity requirements**, various procedures and controls have been and are being utilized to mitigate such risks, there can be no guarantee that the actions and controls the Company implements, or which the Company has caused or will cause third- party ~~service providers~~ **business partners** to implement, will be sufficient to protect and mitigate associated risks to the Company's information systems, information or other property. Moreover, the Company may not be aware of all vulnerabilities associated with its information systems. The Company has experienced ~~cyber security~~ **cybersecurity** threats, **cybersecurity incidents** and vulnerabilities in the Company's information systems and those of the Company's third- party ~~providers~~ **business partners**. Such prior events ~~As of the date of this filing, the Company has not identified any risks from cybersecurity threats, including as a result of previous cybersecurity incidents, that have not had or are reasonably likely to have,~~ a material impact on the Company's **business strategy, results of operations or financial condition**, ~~results of operations or liquidity~~. In addition, the amount of insurance coverage the Company maintains may be inadequate or difficult to obtain in order to cover claims or liabilities relating to a cybersecurity ~~attack~~ **incident**. If, in the future, the Company's or a third party's information systems suffer severe damage, disruption, breach, or shutdown, and business continuity plans do not effectively resolve the issues in a timely manner, then the Company could be subject to litigation ~~with third parties~~ **including individual claims or consumer class actions, commercial litigation, administrative, civil or criminal investigations or actions, regulatory intervention**, government enforcement actions, penalties, **sanctions or fines**, disruption to operations and product systems, **communication delays**, unauthorized release of confidential or otherwise protected information, corruption **or alteration** of data, **payment of ransom**, or **investigation and** remediation costs, which could result in a negative impact on the Company's ~~operating business strategy,~~ **results of operations**, financial condition or reputation. Reports of unauthorized access to the Company's products, systems and data, regardless of their veracity, may result in the perception that the products, systems or data are capable of being hacked, which could harm its brands, **reputation**,

prospects, **relationships with third parties** and operating results. Further, the amount of insurance coverage the Company maintains may be inadequate to cover claims or liabilities relating to a cybersecurity **attack-incident**. Security breaches with respect to the Company's products could interfere with its business, dealers, and customers, exposing it to liability that would cause its business and reputation to suffer. Some of the Company's products include cyberphysical components and systems typically used for telematics services, automated vehicles and remote system updates. While the Company has implemented security measures intended to prevent unauthorized access to these products, malicious actors have attempted, and may attempt in the future, to gain unauthorized access to such products including through such components and systems in order to gain control of the products, change the products' functionality, user interface, or performance characteristics, or gain access to data stored in or generated by the products. Any unauthorized access to or control of the products or systems or any loss of data could result in litigation **with third parties including individual claims or consumer class actions, commercial litigation, administrative, civil or criminal investigations or actions, regulatory intervention**, government enforcement actions, penalties, **sanctions or fines**, disruption to **operations and product systems**, **innovation delays**, unauthorized release of confidential or otherwise protected information, corruption **or alteration** of data, **payment of ransom**, or **investigation and remediation costs**, which could materially adversely affect the Company's **operating-business strategy, results of operations, financial position-condition**, growth opportunities or reputation. Risks Related to Legal and Regulatory Matters The Company is subject to import and export controls, which could subject the Company to liability or impair the Company's ability to compete in international markets. Due to the international scope of the Company's operations, the Company is subject to a complex system of import- and export- related laws and regulations, including U. S. export control and customs regulations and customs regulations of other countries. These regulations are complex and vary among the legal jurisdictions in which the Company operates. Obtaining the necessary authorizations, including any required license, for a particular transaction may be time- consuming, is not guaranteed, and may result in the delay or loss of sales opportunities. Furthermore, U. S. export control laws and economic sanctions laws prohibit certain transactions with U. S. embargoed or sanctioned countries, governments, persons and entities. Any alleged or actual failure to comply with such laws and regulations may subject the Company to government scrutiny, investigation, and civil and criminal penalties, and may limit the Company's ability to import or export products or to provide services outside the United States. Depending on severity, any of these penalties could have a material impact on the Company's business, financial condition and results of operations. There can be no assurance that laws and regulations will not be changed in ways which will require the Company to modify its business models and objectives or affect the Company's returns on investments by restricting existing activities and products, subjecting them to escalating costs or prohibiting them outright. Actual liabilities relating to pending lawsuits may exceed the Company's expectations. The Company is a defendant in pending lawsuits involving, among other things, product liability claims. The Company cannot be sure that it will succeed in defending these claims, that judgments will not be rendered against the Company with respect to any or all of these proceedings or that reserves set aside or insurance policies will be adequate to cover any such judgments. In addition, insurance coverage is increasingly expensive, contains more stringent terms, may be difficult to obtain in the future and may be inadequate to cover related claims and liabilities. The Company could incur a charge to earnings if reserves prove to be inadequate or the average cost per claim or the number of claims exceed estimates, which could have a material adverse effect on results of operations and liquidity for the period in which the charge is taken and any judgment or settlement amount is paid. Actual liabilities relating to environmental matters may exceed the Company's expectations. The Company's manufacturing operations are subject to laws and regulations relating to the protection of the environment, including those governing the management and disposal of hazardous substances. If the Company fails to comply with these laws or the Company's environmental permits, then the Company could incur substantial costs, including cleanup costs, fines and civil and criminal sanctions. In addition, future changes to environmental laws could require the Company to incur significant additional expenses or restrict operations. The Company's products may also be subject to laws and regulations relating to the protection of the environment, including those governing vehicle exhausts. Regulatory agencies in the **United States-U. S. and Europe-other parts of the world** have issued or proposed various regulations and directives designed to reduce emissions from spark- ignited engines and diesel engines used in off- road vehicles, such as industrial lift trucks. These regulations **can** require the Company and other lift truck manufacturers to incur costs to modify designs and manufacturing processes and to perform additional testing and reporting. The Company is investigating or remediating historical contamination at some current and former sites caused by its operations or those of businesses it acquired. While the Company is not currently aware that any material outstanding claims or obligations exist with regard to these sites, the discovery of additional contamination at these or other sites could result in significant cleanup costs that could have a material adverse effect on the Company's financial condition and results of operations. In connection with any acquisition the Company has made, it could, under some circumstances, be held financially liable for or suffer other adverse effects due to environmental violations or contamination caused by prior owners of businesses the Company has acquired. In addition, under some of the agreements through which the Company has sold businesses or assets, it has retained responsibility for certain contingent environmental liabilities arising from pre- closing operations. These liabilities may not arise, if at all, until years later and could require the Company to incur significant additional expenses, which could materially adversely affect the results of operations and financial condition. The Company may become subject to claims under non- U. S. laws and regulations, which may require expensive, time- consuming and distracting litigation. Because the Company has employees, property and business operations outside of the **United States-U. S.**, it is subject to the laws and the court systems of many jurisdictions. The Company may become subject to claims outside the **United States-U. S.** based in non- U. S. jurisdictions for violations of their laws with respect to the Company's non- U. S. operations. In addition, these laws may be changed or new laws may be enacted in the future, including, for example, with respect to environmental, climate change, health and safety and cybersecurity matters. Non- U. S. litigation is often expensive, time consuming and distracting. As a result, any of these risks could significantly reduce profitability and the Company's ability

to operate its businesses effectively. Risks Related to Key Personnel and Ownership The Company is dependent on key personnel, and the loss of these key personnel could significantly reduce profitability. The Company is highly dependent on the skills, experience and services of key personnel, and the loss of key personnel could have a material adverse effect on its business, operating results and financial condition. Competition for, and availability of skilled personnel is challenging in the markets in which the Company competes, and employment and retention of qualified and skilled front-line personnel is important to the successful conduct of the Company's business. The Company's success depends upon its ability to recruit, hire, train and retain additional skilled and experienced management personnel. The Company's inability to hire and retain personnel with the requisite skills could impair its ability to manage and operate its business effectively and could significantly reduce profitability. Certain members of the Company's extended founding family own a substantial amount of its Class A and Class B common stock and, if they were to act in concert, could control the outcome of director elections and other stockholder votes on significant corporate actions. The Company has two classes of common stock: Class A common stock and Class B common stock. Holders of Class A common stock are entitled to cast one vote per share and, as of December 31, 2023-2024, accounted for approximately 28-29 percent of the voting power of the Company. Holders of Class B common stock are entitled to cast ten votes per share and, as of December 31, 2023-2024, accounted for the remaining voting power of the Company. As of December 31, 2023-2024, certain members of the Company's extended founding family held approximately 30 percent of the Company's outstanding Class A common stock and approximately 95-96 percent of the Company's outstanding Class B common stock. On the basis of this common stock ownership, certain members of the Company's extended founding family could have exercised 77 percent of the Company's total voting power. Although there is no voting agreement among such extended family members, in writing or otherwise, if they were to act in concert, they could control the outcome of director elections and other stockholder votes on significant corporate actions, such as certain amendments to the Company's certificate of incorporation and sale of the Company or substantially all of its assets. Because certain members of the Company's extended founding family could prevent other stockholders from exercising significant influence over significant corporate actions, the Company may be a less attractive takeover target, which could adversely affect the market price of its common stock. **The Company's stock repurchase program could affect the price of its Class A common stock and increase volatility and may not enhance long-term shareholder value. The Company's Board of Directors has authorized a stock repurchase program. The timing and amount of any repurchases under the stock repurchase program are determined at the discretion of the Company's management based on a number of factors. The stock repurchase program does not require the Company to acquire any specific number of shares and may be modified, suspended, extended or terminated by the Company at any time without prior notice and will expire no later than November 2027. The Company may repurchase shares in the open market, through privately negotiated transactions or otherwise. Repurchases under the stock repurchase program could affect the price of the Company's Class A common stock. The existence of a stock repurchase program could cause the price of the Company's Class A common stock to be higher than it would be in the absence of such a program and could potentially reduce the market liquidity for the Company's Class A common stock. There can be no assurance that any stock repurchases will enhance shareholder value because the market price of the Company's Class A common stock may decline below the levels at which the Company repurchased the shares. Although the stock repurchase program is intended to enhance long-term shareholder value, there is no assurance that it will do so and short-term price fluctuations in the Class A common stock could reduce the program's effectiveness. Furthermore, the stock repurchase program does not obligate the Company to repurchase any dollar amount or number of shares of the Company's Class A common stock, and it may be suspended or discontinued at any time, and any suspension or discontinuation could cause the market price of the Company's Class A common stock to decline.**

**Risks Related to Financing** The Company is subject to recourse or repurchase obligations with respect to the financing arrangements of some of its customers. Through arrangements with Wells Fargo and others, dealers and other customers are provided financing for new lift trucks in the U. S. and in major countries of the world outside of the United States. Through these arrangements, the Company's dealers and certain customers are extended credit for the purchase of lift trucks to be placed in the dealer's floor plan inventory or the financing of lift trucks that are sold or leased to customers. For some of these arrangements, the Company provides recourse or repurchase obligations such that it would become obligated in the event of default by the dealer or customer. Total amounts subject to these types of obligations were \$ 219. 2 million and \$ 162. 4 million at December 31, 2024 and 2023, respectively. Generally, the Company maintains a perfected security interest in the related assets financed such that, in the event the Company becomes obligated under the terms of the recourse or repurchase obligations, it may take title to the assets financed. The Company cannot be certain, however, that the security interest will equal or exceed the amount of the recourse or repurchase obligations. In addition, the Company cannot be certain that losses under the terms of the recourse or repurchase obligations will not exceed the reserves that have been set aside in the consolidated financial statements. The Company could incur a charge to earnings if reserves prove to be inadequate, which could have a material adverse effect on results of operations and liquidity for the period in which the charge is taken. The Company may be unable to fund its operations at competitive rates, on commercially reasonable terms or in sufficient amounts. The Company has incurred significant debt obligations that could adversely affect its business and financial condition, including the ability to fully implement its strategy. As of December 31, 2024, the Company has a \$ 300 million secured, floating-rate revolving credit facility, expiring in June 2026, and a \$ 225 million term loan, maturing in May 2028, each of which has various restrictive covenants. As the Company continues to pursue its business strategies, it expects to incur additional indebtedness and refinance existing debt at a variety of interest rates, maturities, and terms. The lift truck industry is a cyclical business and the Company's revenue, cash flows, and outlook often fluctuate in accordance with this cycle, as well as prevailing macroeconomic conditions, the Company's business strategy, and other risks described in these risk factors. These fluctuations, together

with the Company's debt level and related debt service obligations, could have the effect of, among other things, reducing the Company's flexibility to respond to changing business and economic conditions and increasing the risk of a future downgrade in the Company's credit ratings that can potentially impact the value of the Company's outstanding debt and increase its borrowing costs. The Company may also be required to raise additional financing for working capital, capital expenditures, debt service obligations, debt refinancing, future acquisitions, or other general corporate purposes, which will depend on, among other factors, the Company's financial position and performance, as well as prevailing market conditions and other factors beyond the Company's control. Consequently, the Company may not be able to obtain additional financing or refinancing on terms acceptable to it, or at all, which could adversely impact the Company's ability to finance its business strategy and service and repay outstanding indebtedness as it becomes due, all of which could adversely impact the Company's business, financial condition, and the cost of borrowing.