# MRIGlobal

## Independent Auditor’s Report, Consolidated Financial Statements, and Supplementary Information (Including Reports Required Under Uniform Guidance)

September 30, 2025

**MRIGlobal**
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**September 30, 2025**

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# Independent Auditor's Report

Board of Directors
MRIGlobal
Kansas City, Missouri

## Report on the Audit of the Consolidated Financial Statements

### *Opinion*

We have audited the consolidated financial statements of MRIGlobal, which comprise the consolidated balance sheet as of September 30, 2025, and the related consolidated statements of income, changes in equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of MRIGlobal, as of September 30, 2025, and the changes in its equity and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are required to be independent of MRIGlobal, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Emphasis of Matter*

As discussed in Note 1 to the consolidated financial statements, in 2025, the reporting entity changed to only present MRIGlobal and its wholly owned subsidiary as part of its consolidated financial statements and no longer combined in other affiliates. Our opinion is not modified with respect to this matter.

### *Responsibilities of Management for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about MRIGlobal's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MRIGlobal's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about MRIGlobal's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2026, on our consideration of MRIGlobal's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of MRIGlobal's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MRIGlobal's internal control over financial reporting and compliance.

Forvis Mazars, LLP

**Kansas City, Missouri**
**January 27, 2026**

**MRIGlobal**
**Consolidated Balance Sheet**
**September 30, 2025**
***(Dollars in Thousands)***

| | | |
|---|---|---|
| **ASSETS** | | |
| **Current Assets** | | |
| Cash and cash equivalents | $ | 51,869 |
| Accounts receivable, net | | 9,084 |
| Contracts in progress - unbilled costs and fees | | 11,250 |
| Materials and supplies | | 1,099 |
| Prepaid expenses | | 1,673 |
| **Total Current Assets** | | 74,975 |
| **Property, Plant and Equipment, At Cost** | | |
| Land | | 2,349 |
| Buildings | | 72,021 |
| Equipment and fixtures | | 40,534 |
| Work in progress | | 1,322 |
| | | 116,226 |
| Less accumulated depreciation | | 73,083 |
| Net property, plant and equipment | | 43,143 |
| **Restricted Cash** | | 632 |
| **Investments** | | 11,698 |
| **Investment in Alliance for Sustainable Energy, LLC** | | 2,824 |
| **Other Assets** | | 3,330 |
| **Right-of-Use Assets - Operating Leases** | | 3,468 |
| **Total Assets** | $ | 140,070 |

**MRIGlobal**
**Consolidated Balance Sheet**
**September 30, 2025**
***(Dollars in Thousands)*** **(Continued)**

| | | |
|---|---|---|
| **LIABILITIES AND EQUITY** | | |
| **Current Liabilities** | | |
| Current maturities of long-term debt | $ | 1,398 |
| Accounts payable | | 6,704 |
| Accrued expenses | | 4,308 |
| Contracts in progress - billings in excess of cost and fees | | 1,621 |
| Current portion of operating lease liabilities | | 1,027 |
| **Total Current Liabilities** | | 15,058 |
| **Long-term Debt** | | 5,758 |
| **Other Long-term Liabilities** | | 5,779 |
| **Operating Lease Liabilities** | | 2,441 |
| **Total Liabilities** | | 29,036 |
| **Equity** | | |
| Without donor restrictions | | 110,402 |
| With donor restrictions | | 632 |
| **Total Equity** | | 111,034 |
| **Total Liabilities and Equity** | $ | 140,070 |

**MRIGlobal**
**Consolidated Statement of Income**
**Year Ended September 30, 2025**
***(Dollars in Thousands)***

| | |
|---|---|
| **Without Donor Restrictions** | |
| Revenue from operations | $ 113,177 |
| Direct costs | 107,423 |
| Excess of revenue over direct costs | 5,754 |
| Operating expense | 12,025 |
| Operating loss | (6,271) |
| Other income (deductions) | |
| Contributions | 411 |
| Release from restrictions | 970 |
| Equity in earnings of Alliance | 5,674 |
| Investment return, net | 2,812 |
| Interest expense | (187) |
| Community and charitable support | (147) |
| Pension plan settlement | (16,721) |
| Other, net | (2,027) |
| Total other income (deductions), net | (9,215) |
| Net loss without donor restrictions | (15,486) |
| **With Donor Restrictions** | |
| Bad debt loss | (20) |
| Release from restrictions | (970) |
| Net loss with donor restrictions | (990) |
| **Net Loss** | $ (16,476) |

**MRIGlobal**
**Consolidated Statement of Changes in Equity**
**Year Ended September 30, 2025**
***(Dollars in Thousands)***

| | | |
|---|---|---|
| **Without Donor Restrictions** | | |
| Net loss | $ | (15,486) |
| Pension-related changes other than net periodic pension gains | | 16,706 |
| Increase in equity without donor restrictions | | 1,220 |
| **With Donor Restrictions** | | |
| Net loss | | (990) |
| **Change in Equity** | | 230 |
| **Equity, Beginning of Year, as previously reported** | | 113,185 |
| **Change in Reporting Entity** | | (2,381) |
| **Equity, Beginning of Year, as adjusted** | | 110,804 |
| **Equity, End of Year** | $ | 111,034 |

**MRIGlobal**
**Consolidated Statement of Cash Flows**
**Year Ended September 30, 2025**
***(Dollars in Thousands)***

| | |
|---|---|
| **Operating Activities** | |
| Change in equity | $ 230 |
| Items not requiring (providing) operating cash | |
| Depreciation and amortization | 5,258 |
| Noncash operating lease expense | 1,097 |
| Gains on disposal of property and equipment | (52) |
| Net realized and unrealized gains on investments | (742) |
| Undistributed earnings on affiliate | 125 |
| Pension-related changes other than net periodic pension gains | (16,706) |
| Changes in | |
| Accounts receivable | 3,004 |
| Contracts in progress - unbilled costs and fees | 3,082 |
| Other assets | (350) |
| Accounts payable | (136) |
| Accrued expenses | (654) |
| Contracts in progress - billings in excess of costs and fees | 600 |
| Accrued pension liability | 12,703 |
| Operating lease liabilities | (1,097) |
| Other liabilities | 426 |
| **Net Cash Provided by Operating Activities** | 6,788 |
| **Investing Activities** | |
| Purchase of property and equipment | (2,349) |
| Proceeds from disposition of property and equipment | 156 |
| Purchase of investments | (1,001) |
| Proceeds from disposition of investments | 749 |
| **Net Cash Used in Investing Activities** | (2,445) |
| **Financing Activities** | |
| Principal payments on long-term debt | (2,542) |
| Proceeds from contributions restricted for acquisition of long-lived assets | 130 |
| **Net Cash Used in Financing Activities** | (2,412) |

| | | |
|---|---|---|
| **Change in Cash and Cash Equivalents and Restricted Cash** | $ | 1,931 |
| **Cash and Cash Equivalents and Restricted Cash, Beginning of Year** | | 50,570 |
| **Cash and Cash Equivalents and Restricted Cash, End of Year** | $ | 52,501 |
| **Reconciliation of Cash and Cash Equivalents and Restricted Cash to the Consolidated Balance Sheets** | | |
| Cash and cash equivalents | $ | 51,869 |
| Restricted cash | | 632 |
| | $ | 52,501 |
| **Supplemental Cash Flows Information** | | |
| Cash paid for interest | $ | 168 |
| Property and equipment purchases in accounts payable | | 160 |
| ROU assets and lease liabilities adjusted due to lease modifications | | (480) |

## Note 1. Nature of Operations and Summary of Significant Accounting Policies

### *Nature of Operations*

MRIGlobal, a not-for-profit research and development organization, delivers global solutions in national security and defense, energy and environment, life sciences, agriculture and food safety. The organization performs scientific research, advanced engineering, and program integration and management for clients in government, industry, and academia. Established in 1944 as Midwest Research Institute, MRIGlobal is based in Kansas City, Missouri, and operates in four states and Washington, D.C.

### *Change in Reporting Entity*

MRIGlobal does not hold a controlling interest in the Alliance for Sustainable Energy, LLC (the Alliance) and, as such, does not include the Alliance in its consolidated accounts. However, because certain members of MRIGlobal's management and employees serve in extensive and active roles in the operations and governance of Alliance, they are considered under common management. Historically, MRIGlobal presented Alliance's financial position, results of operations, changes in equity, and cash flows within the accompanying combined financial statements. During 2025, MRIGlobal elected to no longer combine the operations of the Alliance and present their standalone consolidated financial statements; however, the Alliance is presented as an equity method investment as further discussed in Note 3.

### *Principles of Consolidation*

The consolidated financial statements include the accounts of MRIGlobal and its wholly owned subsidiary, MRIGlobal-Kansas, LLC. MRIGlobal-Kansas, LLC does not have any significant activity. All significant intercompany accounts and transactions have been eliminated in consolidation.

### *Use of Estimates*

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses, and other changes in equity during the reporting period. Actual results could differ from those estimates.

### *Cash Equivalents*

MRIGlobal considers all liquid investments with original maturities of three months or less to be cash equivalents. Uninvested cash and cash equivalents included in investment accounts are not considered to be cash and cash equivalents. At September 30, 2025, cash equivalents consisted primarily of money market accounts with brokers.

### *Restricted Cash*

Restricted cash relates to cumulative contributions collected and not yet spent which is restricted to support capital projects under MRIGlobal's capital campaign.

### *Revenue from Operations and Contracts in Progress*

MRIGlobal's revenue from operations results primarily from contracts with federal agencies, some of which provide for cost reimbursement plus fixed fee and/or award fee and others that are fixed-price, level of effort or time and materials type contracts.

Contract revenues are recognized as MRIGlobal satisfies the performance obligations under its contracts. Revenue is reported at the amount of consideration which MRIGlobal expects to be entitled in exchange for providing services. MRIGlobal determines the transaction price based on standard charges for goods and services provided, reduced by implicit and explicit price concessions. MRIGlobal determines its estimates of implicit and explicit price concessions based upon contractual agreements, its discount policies and historical experience. The estimated amounts also include variable consideration for payments that are contractually withheld until the end of the research or trial period and paid only once all required work is completed. For the purposes of revenue recognition, variable consideration is assessed on a contract-by-contract basis and the amount included in the transaction price is estimated based on the assessment of MRIGlobal's anticipated performance and consideration of all information that is reasonably available. Variable consideration is recognized as revenue if and when it is deemed probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved in the future. See Note 2 for additional information about MRIGlobal's revenue.

Government clients represented approximately 88% of revenue from operations and approximately 43% of total revenue from operations is from three customers during the year ended September 30, 2025.

Contracts in progress – unbilled costs and fees represent revenue recognized on contracts in excess of related billings. Such amounts represent valid claims that will be billed in accordance with the terms of the contract and to which MRIGlobal has a right to consideration in exchange for goods or services that MRIGlobal has transferred to the customer.

Contracts in progress – billings in excess of cost and fees represent amounts received in excess of revenue recognized on contracts. Such amounts are deferred and recognized as the goods or services are provided to the customer.

### *Accounts Receivable*

Accounts receivable are stated at the amount of consideration from customers of which the organization has an unconditional right to receive. MRIGlobal provides an allowance for credit losses, which is based upon a review of outstanding receivables, historical collection information, existing economic conditions, and reasonable and supportable forecasts.

MRIGlobal has elected to use the practical expedient provided in ASC 326-20 that allows entities to assume that current conditions as of the balance sheet date do not change for the remaining life of the current accounts receivable and current contract assets. MRIGlobal has also made an accounting policy election to consider cash collection activity after the balance sheet date when estimating expected credit losses on current accounts receivable and current contract assets.

Accounts receivable are ordinarily due 30 days after the issuance of the invoice. Accounts are considered delinquent and subsequently written off based on individual credit evaluation and specific circumstances of the customer.

During the year ended September 30, 2025, credit loss expense related to doubtful accounts receivable, where collectibility is not reasonably assured, was $714. The associated allowance for credit losses as of September 30, 2025 was $1,754.

### *Materials and Supplies*

Inventories consist of chemical and supplies and are stated at the lower of cost or net realizable value. Costs are determined using the first-in, first-out (FIFO) method.

### *Investments and Net Investment Return*

MRIGlobal measures securities, other than investments that qualify for the equity method of accounting, at fair value. Investment return includes dividend, interest and other investment income and realized and unrealized gains and losses, less external and direct internal investment expenses.

### *Property, Plant, and Equipment*

Property, plant, and equipment acquisitions over $5,000 are stated at cost, less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset. Assets under finance lease obligations and leasehold improvements are amortized over the shorter of the lease term or respective estimated useful lives. The estimated useful lives for each major depreciable classification of property, plant, and equipment are as follows:

| | |
|---|---|
| Building and improvements | 15 to 40 years |
| Machinery, equipment, and furniture | 3 to 10 years |

### *Long-lived Asset Impairment*

MRIGlobal evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the year ended September 30, 2025.

### *Equity*

Equity, revenues, gains, and losses are classified based on existence or absence of donor restrictions.

Equity without donor restrictions is available for use in general operations and not subject to donor restrictions.

Equity with donor restrictions is subject to donor restrictions which are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. At September 30, 2025, equity with donor restrictions totaled $632, and was restricted as to purpose for various capital projects under their capital campaign.

### *Contributions*

Contributions are provided to MRIGlobal either with or without restrictions placed on the gift by the donor. Revenues and equity are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

| Nature of the Gift | Value Recognized |
|---|---|
| *Conditional gifts, with or without restriction* | |
| Gifts that depend on MRIGlobal overcoming a donor-imposed barrier to be entitled to the funds | Not recognized until the gift becomes unconditional, *i.e.,* the donor-imposed barrier is met |
| *Unconditional gifts, with or without restriction* | |
| Received at date of gift – cash and other assets | Fair value |

| Nature of the Gift | Value Recognized |
|---|---|
| Received at date of gift – property, equipment, and long-lived assets | Estimated fair value |
| Expected to be collected within one year | Net realizable value |
| Collected in future years | Initially reported at fair value determined using the discounted present value of estimated future cash flows technique |

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor stipulated time restriction ends or purpose restriction is accomplished, equity with donor restrictions is reclassified to equity without donor restrictions and reported in the consolidated statement of income as equity released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment, and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and equity without donor restrictions.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions. MRIGlobal received conditional contributions that will be recognized once qualifying expenses subject to the Uniform Guidance regulations are incurred. As of September 30, 2025, the remaining amounts to recognize once conditions are met are $1,266.

### *Income Taxes*

MRIGlobal is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the entities are subject to federal income tax on any unrelated business taxable income. MRIGlobal files tax returns in the U.S. federal jurisdiction.

MRIGlobal accounts for income taxes in accordance with income tax accounting guidance (Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, *Income Taxes*). The income tax accounting guidance results in two components of income tax expense: current and deferred. Current income tax expense reflects taxes to be paid or refunded for the current period by applying the provisions of the enacted tax law to the taxable income or excess of deductions over revenues. MRIGlobal determines deferred income taxes using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax bases of assets and liabilities, and enacted changes in tax rates and laws are recognized in the period in which they occur. Deferred income tax expense results from changes in deferred tax assets and liabilities between periods. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence available, it is more likely than not some portion or all of a deferred tax asset will not be realized.

Uncertain tax positions are recognized if it is more likely than not, based on the technical merits, that the tax position will be realized or sustained upon examination. Recognized income tax positions are initially and subsequently measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more-likely-than-not recognition threshold considers the facts, circumstances, and information available at the reporting date and is subject to management's judgment. No amounts have been recorded at September 30, 2025, with respect to uncertain tax positions.

MRIGlobal recognizes interest and penalties on income taxes as a component of income tax expense and files tax returns in the U.S. federal and state jurisdictions. During the year ended September 30, 2025, an income tax benefit was recorded for $156 as other, net in the consolidated statement of income.

### *Fair Value Measurements*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

**Level 1** Quoted prices in active markets for identical assets or liabilities

**Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

**Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

## Note 2. Revenue from Contracts with Customers

### *Revenue from Operations*

MRIGlobal generally enters into contracts with customers to provide various research services with payments based on cost reimbursement plus fixed fee and/or award fee, fixed-price, level of effort or time and materials. MRIGlobal's contracts generally are incrementally funded through contract modifications for additions to the scope of work or as appropriated funds are available.

### *Transaction Price and Recognition*

MRIGlobal determines the transaction price based on internal pricing guidelines and project budgets submitted during contract proposals. MRIGlobal does not offer implicit or explicit price concessions and all contracts are priced based on expected costs to be incurred plus a reasonable profit margin.

At contract inception, MRIGlobal assesses the services promised in the contracts with customers to identify the performance obligations in the arrangement. Generally, all contracts are considered a single performance obligation because MRIGlobal provides a highly integrated service resulting in a combined output.

MRIGlobal revenue is recognized for the single performance obligation over time due to MRIGlobal's right to payment for work performed to date. The transaction price is the contractually defined amount that includes adjustment for variable consideration such as retainage. The contracts generally provide for the right to invoice the customer as work progresses based on either achievement of milestones or costs incurred to date.

MRIGlobal revenue for performance obligations satisfied over time is recognized over the period based on the cost-to-cost measure. MRIGlobal believes this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

***(Dollars in Thousands)***

Contracts generally provide for pricing modifications upon scope of work changes. MRIGlobal recognizes revenue, at an amount to which it expects to be entitled, related to work performed in connection with scope changes when the underlying services are performed and a binding contractual commitment has been established with the customer. If MRIGlobal's customers do not agree to contract changes upon changes in MRIGlobal's scope of work, MRIGlobal could be exposed to cost overruns and reduced contract profitability.

Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to revenue in the period of the change. For the year ended September 30, 2025, net reductions to revenue of $4,761 was recognized due to changes in its estimates of variable consideration such as cost overruns for performance obligations satisfied in prior years. Subsequent changes that are determined to be the result of an adverse change in the customer's ability to pay are recorded as credit loss expense.

MRIGlobal recognizes all revenue from operations over a period of time. MRIGlobal has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected primarily by the contract type that has different reimbursement and payment methodologies.

### *Contract Balances*

The following table provides information about MRIGlobal's receivables, contract assets, and contract liabilities from contracts with customers:

| | | |
|---|---|---|
| Accounts receivable, beginning of year | $ | 12,088 |
| Accounts receivable, end of year | $ | 9,084 |
| | | |
| Contract assets, beginning of year | $ | 14,332 |
| Contract assets, end of year | $ | 11,250 |
| | | |
| Contract liabilities, beginning of year | $ | 1,021 |
| Contract liabilities, end of year | $ | 1,621 |

### *Contract Costs*

MRIGlobal has elected to apply the practical expedient provided by FASB ASC 340-40-25-4 and expense as incurred, the incremental customer contract acquisition costs for contracts in which the amortization period of the asset that MRIGlobal otherwise would have recognized is one year or less.

## Note 3. Equity Method Investments

MRIGlobal partnered with Battelle Memorial Institute (Battelle) to form the Alliance for Sustainable Energy, LLC (Alliance) to manage and operate the National Renewable Energy Laboratory (NREL) under a contract with the U.S. Department of Energy (DOE). Under the terms of the Operating Agreement of Alliance, MRIGlobal and Battelle are 50/50 owners of Alliance and each holds a 50% interest in the voting rights of Alliance's Board of Directors. The terms of the contract, which is on a cost basis, provide for a fee to be awarded based upon performance. The fees earned and most non-reimbursable costs are shared between MRIGlobal and Battelle on a 62.5% and 37.5% basis, respectively.

Subsequent to year end, Alliance changed its name to Alliance for Energy Innovation, LLC and NREL changed its name to National Laboratory of the Rockies. Additionally, the operating agreement for the Alliance was amended for the fees earned and non-reimbursable costs to be shared equally (50/50) between MRIGlobal and Battelle.

***(Dollars in Thousands)***

MRIGlobal does not hold a controlling interest in Alliance and, as such, does not include Alliance in its consolidated accounts. This investment is accounted for by the equity method. For the investment of $2,824 at September 30, 2025 accounted for under the equity method, MRIGlobal recognizes its proportionate share of the income and losses accruing to it under the terms of its partnership agreements.

The following is a summary of condensed financial information pertaining to the investment described above:

| | | |
|---|---|---|
| Assets | $ | 221,227 |
| Liabilities | $ | 216,021 |
| Equity | $ | 5,206 |
| Revenues | $ | 1,064,570 |
| Expenses | $ | 1,055,381 |
| Net Income | $ | 9,189 |

## Note 4. Disclosures About Fair Value of Assets and Liabilities

The following table represents assets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30:

| | Level in Fair Value Measurement Hierarchy | 2025 |
|---|---|---|
| Assets - Investments | | |
| Money market funds | Level 1 | $ 716 |
| Equity mutual funds | Level 1 | 6,178 |
| Fixed income mutual funds | Level 1 | 545 |
| U.S. Treasury securities | Level 1 | 2,224 |
| U.S. government agency obligations | Level 2 | 31 |
| Municipal bonds | Level 2 | 145 |
| Corporate bonds | Level 2 | 1,859 |
| Total investments | | $ 11,698 |
| Assets - Other | | |
| Deferred compensation (457b) - mutual funds | Level 1 | $ 3,086 |
| Interest rate swap agreement | Level 2 | $ 244 |

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheet, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended September 30, 2025.

***(Dollars in Thousands)***

### *Investments and Deferred Compensation (457b)*

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. MRIGlobal held no Level 3 investments for the year ended September 30, 2025.

### *Interest Rate Swap Agreement*

The fair value is estimated using forward-looking interest rate curves and discounted cash flows that are observable or can be corroborated by observable market data and, therefore, are classified within Level 2 of the valuation hierarchy.

## Note 5. Long-term Debt

Long-term debt at September 30, 2025 consisted of the following:

| | |
|---|---|
| Revenue Bond (MRIGlobal Project) Series 2015, dated August 26, 2015, due November 1, 2029 | $ 6,995 |
| Finance lease liabilities | 178 |
| | 7,173 |
| Less unamortized debt issuance costs | (17) |
| Less current maturities | (1,398) |
| | $ 5,758 |

In August 2015, the Missouri Development Finance Board (MDFB) issued a tax-exempt Revenue Bond (the Bond) on behalf of MRIGlobal to refund the Research Facility Revenue Bonds, Series 2007. The Bond, with an original stated principal amount of $18,745, was issued at par, and the entire proceeds were transferred to a Refund Escrow Account for repayment of the Series 2007 bonds. The Bond is subject to mandatory principal redemption at stated amounts annually on November 1, beginning in 2015 through maturity. During the year ended September 30, 2020, the bond agreement was modified for the interest rate. Effective September 1, 2020, interest is payable monthly and varies with the product of LIBOR and the factor of 85% plus a 1% spread which is subject to adjustment by the margin rate factor. On September 1, 2022, this agreement was amended to change the interest rate index from LIBOR to SOFR. The margin rate factor is the greater of one or the product of one minus the maximum federal corporate tax rate multiplied by 1.26582. The Bond is not secured by collateral.

Under the terms of the bond agreement, MRIGlobal is required to maintain a Fixed Charge Coverage Ratio of at least 1.1:1. MRIGlobal is also required to maintain a Liquidity Coverage Ratio of at least 0.5:1.

MRIGlobal received a $6,992 Paycheck Protection Program (PPP) loan established by the CARES Act and has elected to account for the funding as a loan in accordance with ASC Topic 470, *Debt*. MRIGlobal did not seek forgiveness of the loan amount, and as of September 14, 2021, MRIGlobal modified the PPP loan and extended the maturity until April 23, 2025, with monthly payments of $164 plus interest of 1%, starting on September 23, 2021. The loan was fully repaid during the year ended September 30, 2025.

***(Dollars in Thousands)***

See Note 9 for additional information on the terms over the finance leases.

Interest expense for the year ended September 30, 2025 was $187.

Aggregate annual maturities of long-term debt at September 30, 2025 are:

| | Long-Term Debt (Excluding Leases) | Finance Leases |
|---|---|---|
| 2026 | $ 1,315 | $ 83 |
| 2027 | 1,355 | 82 |
| 2028 | 1,400 | 13 |
| 2029 | 1,440 | - |
| 2030 | 1,485 | - |
| | $ 6,995 | $ 178 |

## Note 6. Variable to Fixed Interest Rate Swap

As a strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations, MRIGlobal entered into an interest rate swap agreement for a portion of its floating rate debt through November 1, 2029. The agreement provides for MRIGlobal to receive interest from the counterparty at 85% of 30-day SOFR and to pay interest to the counterparty at a fixed rate of 1.25% on notional amounts of $6,995 as of September 30, 2025. Under the agreement, MRIGlobal pays or receives the net interest amount monthly, with the monthly settlements included in interest expense on the consolidated statement of income.

The table below presents certain information regarding MRIGlobal's interest rate swap agreement.

| | |
|---|---|
| Fair value of interest rate swap agreement | $ 244 |
| Consolidated balance sheet location of fair value amount | Other assets |
| Loss recognized in net loss | $ (105) |
| Location of loss recognized in net income | Other, net |

## Note 7. Line of Credit

MRIGlobal has a $10,000 revolving bank line of credit expiring in May 2026. The line is collateralized by all of MRIGlobal's accounts receivable. Interest varies with the 30-day SOFR plus 2.11%, which was 6.27% on September 30, 2025, and is payable monthly. As of September 30, 2025, the available line of credit was $10,000, with no outstanding borrowings against the line of credit.

## Note 8. Asset Retirement Obligation

Accounting principles generally accepted in the United States of America require that an asset retirement obligation (ARO) associated with the retirement of a tangible long-lived asset be recognized as a liability in the period in which it is incurred or becomes determinable (as defined by the standard) even when the timing and/or method of settlement may be conditional on a future event. MRIGlobal's conditional asset retirement obligations primarily relate to a responsibility to decommission chemical research laboratories. The associated liability is included in other long-term liabilities in the consolidated balance sheet.

A summary of changes in asset retirement obligations for the year ended September 30, 2025 is included in the table below:

| | | |
|---|---|---|
| Liability, beginning of year | $ | 2,567 |
| Accretion expense | | 126 |
| Liability, end of year | $ | 2,693 |

## Note 9. Leases

### *Accounting Policies*

MRIGlobal determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of ROU assets and lease liabilities on the consolidated balance sheet. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. MRIGlobal determines lease classification as operating or finance at the lease commencement date. Finance leases are included in property, plant, and equipment, current maturities of long-term debt, and long-term debt in the consolidated balance sheet. Operating leases result in the recognition of ROU assets and lease liabilities on the consolidated balance sheet.

MRIGlobal combines lease and nonlease components, such as common area and other maintenance costs, and accounts for them as a single lease component in calculating the ROU assets and lease liabilities for its facilities and equipment.

In addition, for certain equipment leases, MRIGlobal applies a portfolio approach to effectively account for the operating lease ROU assets and liabilities.

At lease commencement, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. MRIGlobal has made a policy election to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term.

The lease term may include options to extend or to terminate the lease that MRIGlobal is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

MRIGlobal has elected not to record leases with an initial term of 12 months or less on the consolidated balance sheet. Lease expense on such leases is recognized on a straight-line basis over the lease term.

***(Dollars in Thousands)***

### *Nature of Leases*

MRIGlobal has entered into the following lease arrangements:

#### *Finance Leases*

These leases mainly consist of copiers. Termination of the leases generally are prohibited unless there is a violation under the lease agreement.

#### *Operating Leases*

MRIGlobal leases facilities and equipment that expire in various years through 2030. These leases generally require MRIGlobal to pay all executory costs (property taxes, maintenance, and insurance). Lease payments have an escalating fee schedule, which range from a 0% to 3% increase each year. Termination of the leases is generally prohibited unless there is a violation under the lease agreement.

#### *All Leases*

MRIGlobal has no material related-party leases.

MRIGlobal's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

### *Quantitative Disclosures*

The lease cost and other required information for the year ended September 30, 2025, is:

| | |
|---|---|
| Lease cost | |
| Finance lease cost | |
| Amortization of right-of-use asset | $ 17 |
| Interest on lease liabilities | 2 |
| Operating lease cost | 1,279 |
| Total lease cost | $ 1,298 |
| Other information | |
| Cash paid for amounts included in the measurement of lease liabilities | |
| Operating cash flows from finance leases | $ 2 |
| Financing cash flows from finance leases | $ 124 |
| Operating cash flows from operating leases | $ 1,282 |
| Reduction to right-of-use assets and lease liabilities due to lease modifications | $ (480) |
| Weighted-average remaining lease term | |
| Finance leases | 2.09 years |
| Operating leases | 3.15 years |
| Weighted-average discount rate | |
| Finance leases | 3.82% |
| Operating leases | 3.68% |

***(Dollars in Thousands)***

Future minimum lease payments and reconciliation to the consolidated balance sheet at September 30, 2025, are as follows:

| | Operating Leases |
|---|---|
| 2026 | $ 1,127 |
| 2027 | 1,160 |
| 2028 | 1,190 |
| 2029 | 194 |
| Total future undiscounted lease payments | 3,671 |
| Less imputed interest | (203) |
| Lease liabilities | $ 3,468 |

## Note 10. Pension and Other Postretirement Benefit Plans

### *Defined Contribution Plan*

MRIGlobal sponsors a 403(b) defined contribution plan for eligible employees. MRIGlobal makes a matching contribution of 50 cents for every dollar contribution made by the employee up to a maximum contribution of 8% of eligible earnings. Matching contributions are made every pay period. MRIGlobal's expense related to this plan was $3,017 in 2025.

### *Deferred Compensation Plan*

MRIGlobal has an unfunded deferred compensation agreement for a select group of management and highly compensated employees. MRIGlobal makes no contributions to the plan. An asset (within other assets) and corresponding liability (within other long-term liabilities) for $3,086 are recorded in the consolidated balance sheet, representing the amounts held in the plan which have been contributed by the plan participants and the funds owed to the participants.

### *Defined Benefit Plan*

MRIGlobal froze its noncontributory defined benefit plan effective December 31, 2011. No new employees may enter the plan as of that date. Participants will retain 100% of the benefits accrued through December 31, 2011, but no additional benefits in the pension plan will be earned. Benefits accrued through December 31, 2011, will continue to be available to eligible vested participants at termination or retirement. Years of service will continue to grow and be counted for purposes of vesting in the accrued pension benefit.

The pension plan curtailment was recognized as of October 31, 2011, which is the date the plan freeze was effectively communicated to participants. Since no future salary or years of service will be credited to the plan, the projected benefit obligation was reset to be equal to the accumulated benefit obligation.

***(Dollars in Thousands)***

The plan provides monthly benefits beginning at age 65 for employees with a minimum of one year of service or when an employee's combined age and years of service is 85. Monthly benefits for participants electing early retirement are actuarially reduced for each month of early retirement. Benefits, based on years of participation in the plan and compensation, are 20% vested upon two years of service, with increases of 20% per year until 100% vested after six years of service.

During 2018, the plan was amended to allow eligible participants a limited opportunity to elect to receive a single lump sum distribution of their vested accrued benefits under the plan.

During 2024, the plan was terminated with an effective date of May 31, 2024 and at that time all participants became 100% vested (to the extent not already vested). Full liquidation occurred in April 2025.

MRIGlobal uses a September 30 measurement date for the plan. As the plan was fully liquidated in April 2025, the benefit obligation and fair value of plan assets as of September 30, 2025 were $0 and there was no corresponding asset or liability recognized in the consolidated balance sheet.

Other significant balances and costs are:

| | |
|---|---|
| Employer contributions | $ 5,250 |
| Benefits paid | 15,487 |
| Net periodic benefit costs | 1,231 |
| Settlement loss | 16,721 |

The components of net periodic benefit cost other than the service cost component were $17,344 (inclusive of the settlement loss related to the termination and liquidation of the plan of $16,721) for the year ended September 30, 2025, and are included in the line item other, net in the consolidated statement of income.

Other changes in plan assets and benefit obligations recognized in change in equity:

| | |
|---|---|
| Amounts arising during the period - net (gain) loss | $ 513 |
| Amounts reclassified as components of net periodic benefit cost of the period - amortization of net loss | (17,219) |
| Pension-related changes other than net periodic pension costs (gains) | $ (16,706) |

MRIGlobal's federally funded projects are subject to the Cost Accounting Standards (CAS) which impact how certain expenses may be charged to federal contracts and may vary from the recognition under generally accepted accounting principles (GAAP). Under these standards, pension expense may be charged to federal contracts at a different amount than the pension expense as calculated under GAAP. MRIGlobal calculates the net periodic pension cost to be charged to federal contracts in accordance with CAS 412, *Cost Accounting Standard for Composition and Measurement of Pension Cost*. Under this standard, additional pension expense is recognized in the operating expenses within the consolidated statement of income. In order to recognize pension expense in accordance with GAAP, an offset to the increased pension expense recognized under CAS 412 of approximately ($346) was recorded to other, net within the other income (deductions) section of the consolidated statement of income for the year ended September 30, 2025.

Significant assumptions include:

| | |
|---|---|
| Weighted-average assumptions used to determine benefit obligations | |
| Discount rate | 4.95% |
| Expected long-term rate of return | 5.00% |
| | |
| Weighted-average assumptions used to determine benefit costs | |
| Discount rate | 4.95% |
| Expected long-term rate of return | 5.00% |
| Mortality table | MP-2021 |

MRIGlobal estimated the long-term rate of return on plan assets based primarily on historical returns on plan assets, adjusted for changes in target portfolio allocations and recent changes in long-term interest rates based on publicly available information.

## Note 11. Liquidity and Availability of Financial Assets

MRIGlobal regularly monitors liquidity required to meet its operating needs and other contractual commitments. MRIGlobal has various sources of liquidity at its disposal, including cash and cash equivalents, accounts receivable, contracts in progress – unbilled costs and fees, long-term investments that can be converted to cash if needed, and a line of credit which it could draw upon in the event of an unanticipated liquidity need. See Note 7 for information regarding the line of credit. MRIGlobal seeks to maintain financial assets, which consist of cash, investments, and bank line of credit capacity, available to meet up to 60 days of normal operations.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, MRIGlobal considers all expenditures related to its ongoing research activities as well as the conduct of services undertaken to support those activities to be general expenditures. MRIGlobal operates under an annual operating plan that is reviewed and approved by the board of directors.

***(Dollars in Thousands)***

As of September 30, 2025, the following table shows the total financial assets held by MRIGlobal and the amounts of those financial assets that could readily be made available within one year of the consolidated balance sheet to meet general expenditures.

| | | |
|---|---|---|
| **Financial assets at year-end** | | |
| Cash | $ | 51,869 |
| Accounts receivable, net | | 9,084 |
| Contracts in progress - unbilled costs and fees | | 11,250 |
| Restricted cash | | 632 |
| Long-term investments | | 11,698 |
| Other assets | | 3,086 |
| | $ | 87,619 |
| **Financial assets available to meet general expenditures over the next 12 months** | | |
| Cash | $ | 51,869 |
| Accounts receivable, net | | 9,084 |
| Contracts in progress - unbilled costs and fees | | 11,250 |
| Long-term investments | | 11,698 |
| | $ | 83,901 |

***(Dollars in Thousands)***

## Note 12. Functional Allocation of Expenses

The schedule below presents the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general, and fundraising categories based on square footage and employee head count.

| | Program Services | Supporting Services | |
|---|---|---|---|
| | **Research** | **Management and General** | **Total Expenses** |
| Salaries and wages | $ 28,456 | $ 13,759 | $ 42,215 |
| Employee benefits | 6,620 | 3,297 | 9,917 |
| Pension plan termination settlement | 11,508 | 5,213 | 16,721 |
| Payroll taxes | 2,096 | 950 | 3,046 |
| Subcontracts | 28,399 | - | 28,399 |
| Non-capital equipment | 5,178 | 30 | 5,208 |
| Professional fees and services | 4,406 | 4,514 | 8,920 |
| Technology | 835 | 310 | 1,145 |
| Supplies and other | 6,826 | 271 | 7,097 |
| Repairs and maintenance | 2,143 | 279 | 2,422 |
| Lease expense | 1,512 | 8 | 1,520 |
| Utilities | 1,814 | 209 | 2,023 |
| Travel | 791 | 428 | 1,219 |
| Conferences, seminars and meetings | 104 | 161 | 265 |
| Depreciation | 4,819 | 431 | 5,250 |
| Interest expense | 158 | 29 | 187 |
| All other | 1,369 | 1,680 | 3,049 |
| Total | $ 107,034 | $ 31,569 | $ 138,603 |

Reconciliation to expenses included in the consolidated statement of income:

| | |
|---|---|
| Direct costs | $ 107,423 |
| Operating expenses | 12,025 |
| Other deductions | |
| Interest expense | 187 |
| Community and charitable support | 147 |
| Pension plan settlement | 16,721 |
| Other expenses included in "Other, net" | 2,100 |
| | $ 138,603 |

## Note 13. Significant Estimates, Concentrations and Uncertainties

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

### *Cash and Cash Equivalents*

At September 30, 2025, substantially all of MRIGlobal's cash was held at financial institutions in excess of federally insured limits; however, management continually evaluates the institutions' financial stability and believes the risk of loss is minimal.

### *Accounts Receivable*

At September 30, 2025, approximately 53% of the total accounts receivable balance is due from three customers.

### *Investments*

MRIGlobal invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying consolidated balance sheet.

### *Property, Plant and Equipment*

See Note 1 for disclosures about estimates used in calculating depreciation expense.

### *Asset Retirement Obligation*

As discussed in Note 8, MRIGlobal has recorded a liability for its conditional asset retirement obligations related to decommissioning chemical research laboratories.

### *Contracts with the U.S. Government*

See Note 1 for revenue concentration disclosures.

Contract costs on U.S. government contracts, including indirect costs, are subject to audit by the federal government and adjustment pursuant to negotiations between MRIGlobal and government representatives. All of MRIGlobal's federal contract indirect costs have been agreed upon through fiscal year 2024. Contract revenue on U.S. government contracts has been recorded in amounts that are expected to be realized upon final settlement. In the opinion of management, the outcome of these matters will not have a material effect on MRIGlobal's consolidated balance sheet or consolidated statements of income, changes in equity, or cash flows.

## Note 14. Subsequent Events

Subsequent events have been evaluated through January 27, 2026, which is the date the consolidated financial statements were available to be issued.

*Supplementary Information*

# MRIGlobal
# Schedule of Expenditures of Federal Awards
# Year Ended September 30, 2025

| Federal Grantor / Pass-Through Grantor / Program or Cluster Title | Federal Assistance Listing Number | Pass-Through Entity or Other Identifying Number | Passed Through to Subrecipients | Expenditures |
|---|---|---|---|---|
| **Research and Development Cluster** | | | | |
| Research and Development Cluster - cost reimbursement | | | | |
| U.S. Department of Defense | | | | |
| Direct - classified | | | | |
| Virginia Contracting Act | 12.RD | HHM402-17-D-0004/0001 | $ - | $ 3,621,694 |
| Virginia Contracting Act | 12.RD | HHM402-17-D-0004 | - | 8,239,380 |
| GSA Region 11 | 12.RD | 47QFDA23C0005 | 28,755 | 547,640 |
| Defense Technical Informa | 12.RD | FA8075-18-D-0017 | 6,863,011 | 11,597,549 |
| Total direct - classified | | | 6,891,766 | 24,006,263 |
| Direct - unclassified | | | | |
| Naval Inform | 12.RD | N66001-23-C-4507 | - | (254,548) |
| DARPA NIWCP | 12.RD | N66001-21-C-4048 | 9,493 | 9,493 |
| Total direct - unclassified | | | 9,493 | (245,055) |
| Pass-through - unclassified | | | | |
| Advanced Technology International (ATI) | 12.RD | Project No: 17-03-08-004 | 2,363,053 | 6,711,673 |
| Advanced Technology International (ATI) | 12.RD | Base agreement 2017-380 | 1,909,662 | 2,911,060 |
| Advanced Technology International (ATI) | 12.RD | W15QKN-18-9-1004 | 9,542,028 | 13,272,157 |
| Charles Stark Draper | 12.RD | Proposal No. 830903 R-5 | - | (9,401) |
| Charles Stark Draper | 12.RD | HR001124C0306 | - | 502,477 |
| ARMIS BIOPHARMA | 12.RD | HDTRA123C0013 | - | 30,369 |
| GENECAPTURE | 12.RD | SUB:HDTRA1-24C-0003 | - | 156,796 |
| PATRICIO ENT | 12.RD | W911SR22-D-0026/W911SR24-F0056 | - | 98,701 |
| Total pass-through - unclassified | | | 13,814,743 | 23,673,832 |
| Total U.S. Department of Defense | | | 20,716,002 | 47,435,040 |
| U.S. Department of Health and Human Services | | | | |
| Direct | | | | |
| National Institute of Environmental Health Sciences (NIEHS) | 93.RD | HHSN273201400020C | - | 3,361,186 |
| National Institute of Neurological Disorders & Stroke (NINDS) | 93.RD | HHSN271201500006i | 3,818 | 826,622 |
| National Cancer Institute | 93.RD | HHSN261201800026I | - | 20,367 |
| National Cancer Institute | 93.RD | 75N91023D00010 | 1,930,201 | 6,446,496 |
| NIAID | 93.RD | 75N93024C00002 | 337,833 | 1,963,536 |
| NIAID | 93.RD | 75N93022D00002 | - | 461,641 |
| National Institutes of Health | 93.RD | 75N95024D00012 | - | 489,213 |
| National Institutes of Health | 93.RD | 75N9801D00061 | - | 331,963 |
| National Center for Advancing Translational Sciences (NCATS) | 93.RD | HHSN271201700006I | - | 66,072 |
| Total direct | | | 2,271,852 | 13,967,096 |

| Federal Grantor / Pass-Through Grantor / Program or Cluster Title | Federal Assistance Listing Number | Pass-Through Entity or Other Identifying Number | Passed Through to Subrecipients | Expenditures |
|---|---|---|---|---|
| Pass-through | | | | |
| The Ohio State University | 93.RD | SUB:SPC-1000012980 GR133434 | $ - | $ 19,163 |
| IHP Therapeutics - Drug Use and Addiction Research | 93.279 | SUB:UG3NS134781 | - | 77,820 |
| Leidos Biomedical Research | 93.RD | SUB:75N91019D00024 | - | 29,185 |
| MYOSIN THERAPEUTICS - Cancer Treatment Research | 93.395 | SUB:1R42CA278293-01A1 | - | (112) |
| ISOLA THERAPEUTICS | 93.RD | SUB:75A50123C00031 | - | 608 |
| Total pass-through | | | - | 126,664 |
| Total U.S. Department of Health and Human Services | | | 2,271,852 | 14,093,760 |
| U.S. Department of Homeland Security | | | | |
| Direct - unclassified | | | | |
| U.S. Department of Homeland Security | 97.RD | 70RWMD23C00000023 | 26,595 | 1,593,407 |
| Pass-through | | | | |
| ZETEO TECH | 97.RD | SUB:70RWMD22C00000018 | - | 225 |
| ZETEO TECH | 97.RD | SUB:70RWMD22C00000018 | - | 95,873 |
| Total pass-through | | | - | 96,098 |
| Total U.S. Department of Homeland Security | | | 26,595 | 1,689,505 |
| Department of Interior | | | | |
| Pass through - unclassified | | | | |
| SRI INTL | 15.RD | SUB:140D0424C0007 | - | 244,189 |
| Total Department of Interior | | | - | 244,189 |
| Other U.S. Governmental Sources | | | | |
| Direct - classified | | | | |
| Classified - North Client | 99.RD | B22-2022161G401-001 | - | 446,224 |
| US Govt Classified | 99.RD | B20-2020072G001 | - | 637,419 |
| US Govt Classified | 99.RD | B25-2025147G001 | - | 355,824 |
| US Govt Classified | 99.RD | B20-2020245G001 | - | 402,076 |
| US Govt Classified | 99.RD | B20-2020245G001 | - | 1,041,655 |
| Total direct - classified | | | - | 2,883,198 |
| Pass-through - unclassified | | | | |
| National Strategic Research Institute (NSRI) | 99.RD | SUB:NSRI-MRIGlobal-HHM402-001 | - | 795,521 |
| Total pass-through unclassified | | | - | 795,521 |
| Total other U.S. governmental sources | | | - | 3,678,719 |
| Total research and development - cost reimbursement | | | 23,014,449 | 67,141,213 |
| Research and Development Cluster - time and materials | | | | |
| U.S. Department of Defense | | | | |
| Direct - classified | | | | |
| GSA Region 11 | 12.RD | 47QFDA23C0005 | - | 562,794 |
| Washington Headquarters | 12.RD | HQ003422C0090 | 785,692 | 1,440,128 |
| Total direct - classified | | | 785,692 | 2,002,922 |
| Pass-through - unclassified | | | | |
| Analytic Services (ANSER) | 12.RD | GS00F095CA/47QFMA20F0024 | - | 19,673 |
| FLIR Detection Inc | 12.RD | SUB:FA807518D0005 | 33,252 | 39,239 |
| FLIR Detection Inc | 12.RD | SUB:W911SR25C0012 | 119,930 | 146,528 |
| Total pass-through - unclassified | | | 153,182 | 205,440 |
| Total U.S. Department of Defense | | | 938,874 | 2,208,362 |

| Federal Grantor / Pass-Through Grantor / Program or Cluster Title | Federal Assistance Listing Number | Pass-Through Entity or Other Identifying Number | Passed Through to Subrecipients | Expenditures |
|---|---|---|---|---|
| U.S. Department of Health and Human Services | | | | |
| Direct - unclassified | | | | |
| U.S. Department of Health | 93.RD | 75A50323X00031 | $ 4,097,879 | $ 6,186,708 |
| Total U.S. Department of Health and Human Services | | | 4,097,879 | 6,186,708 |
| Department of Homeland Security | | | | |
| Direct - classified | | | | |
| US SECRET SE | 97.RD | 70US0921A70090039 | - | 62,921 |
| Total Department of Homeland Security | | | - | 62,921 |
| Other U.S. Governmental Sources | | | | |
| Direct - classified | | | | |
| Classified - North Client | 99.RD | B22-2022161G401-001 | - | 883,021 |
| Total direct - classified | | | - | 883,021 |
| Pass through - unclassified | | | | |
| CenterPoint-Zimmer, LLC | 99.RD | Proposal No. 835473 | - | 80,739 |
| Total pass-through - unclassified | | | - | 80,739 |
| Total other U.S. governmental sources | | | - | 963,760 |
| Total research and development - time and materials | | | 5,036,753 | 9,421,751 |
| Research and Development Cluster - fixed price | | | | |
| U.S. Department of Health and Human Services | | | | |
| Pass through - unclassified | | | | |
| Black Canyon Consulting | 93.RD | SUB:75N98022D00019 | - | 2,957 |
| CURZA, INC. | 93.RD | 5R44AI152665-03 | - | 3,647 |
| Total U.S. Department of Health and Human Services | | | - | 6,604 |
| Other U.S. Governmental Sources | | | | |
| Pass through - unclassified | | | | |
| U.S. Postal Service | 99.RD | 3ALMPT-24-B-0006 | - | 36,247 |
| Total other U.S. governmental sources | | | - | 36,247 |
| Total research and development - fixed price | | | - | 42,851 |
| Total research and development cluster expenditures of federal awards | | | 28,051,202 | 76,605,815 |
| U.S. Department of Health and Human Services | | | | |
| Direct | | | | |
| Congressional Directives | 93.493 | 6CE1HS46460-01-01 | - | 188,333 |
| Congressional Directives | 93.493 | 6 CE1HS52146-01-07 | - | 196,046 |
| Total ALN 93.493 | | | - | 384,379 |
| U.S. Department of Housing and Urban Development | | | | |
| Direct | | | | |
| Economic Development Initiative, Community Project Funding, and Miscellaneous Grants | 14.251 | B-24-CP-MO-1269 | - | 26,410 |
| Total expenditures of federal awards | | | $ 28,051,202 | $ 77,016,604 |

## Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of MRIGlobal under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of MRIGlobal, it is not intended to and does not present the financial position, changes in equity or cash flows of MRIGlobal.

## Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Expenditures consist of direct and indirect costs. Direct costs are those that can be easily identified with an individual federally sponsored project. The salary of a principal investigator of a sponsored research project and the material consumed by the project are examples of direct costs.

Indirect costs are costs of services and resources that benefit both sponsored and nonsponsored projects and activities. MRIGlobal uses indirect rates to allocate indirect costs to individual direct projects. The indirect rates are calculated by dividing indirect costs by the relevant direct cost bases. The resulting rates are then applied, as applicable, to both sponsored and nonsponsored direct costs to allocate indirect costs to each end cost objective. Indirect rates are submitted to the Department of Defense for audit and approval.

## Note 3. Indirect Cost Rate

MRIGlobal has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

## Note 4. Classified Contracts

For the year ended September 30, 2025, MRIGlobal had $3,766,219 of expenditures related to classified contracts with undisclosed federal agencies. These classified contracts represent 4.92% of the total research and development cluster and may only be audited by the sponsoring agency and were not included as part of the audit performed in accordance with the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance).

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# Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

## Independent Auditor's Report

Board of Directors
MRIGlobal
Kansas City, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the consolidated financial statements of MRIGlobal, which comprise MRIGlobal's consolidated balance sheet as of September 30, 2025, and the related consolidated statements of income, changes in equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated January 27, 2026, which contained an "Emphasis of Matter" paragraph regarding a change in reporting entity.

### *Report on Internal Control Over Financial Reporting*

In planning and performing our audit of the consolidated financial statements, we considered MRIGlobal's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of MRIGlobal's internal control. Accordingly, we do not express an opinion on the effectiveness of the MRIGlobal's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### *Report on Compliance and Other Matters*

As part of obtaining reasonable assurance about whether MRIGlobal's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### *Purpose of this Report*

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

**Kansas City, Missouri**
**January 27, 2026**

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# Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance

## Independent Auditor's Report

Board of Directors
MRIGlobal
Kansas City, Missouri

### Report on Compliance for the Major Federal Program

#### *Opinion on the Major Federal Program*

We have audited MRIGlobal's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on MRIGlobal's major federal program for the year ended September 30, 2025. MRIGlobal's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, MRIGlobal complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2025.

#### *Basis for Opinion on the Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of MRIGlobal and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of MRIGlobal's compliance with the compliance requirements referred to above.

#### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to MRIGlobal's federal programs.

### *Auditor's Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on MRIGlobal's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about MRIGlobal's compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding MRIGlobal's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of MRIGlobal's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of MRIGlobal's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Forvis Mazars, LLP

**Kansas City, Missouri**
**January 27, 2026**

## Section I – Summary of Auditor's Results

*Consolidated Financial Statements*

1. Type of report the auditor issued on whether the consolidated financial statements audited were prepared in accordance with GAAP:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. Internal control over financial reporting:

   Material weakness(es) identified? ☐ Yes ☒ No

   Significant deficiency(ies) identified? ☐ Yes ☒ None reported

3. Noncompliance material to the consolidated financial statements noted? ☐ Yes ☒ No

*Federal Awards*

4. Internal control over major federal program:

   Material weakness(es) identified? ☐ Yes ☒ No

   Significant deficiency(ies) identified? ☐ Yes ☒ None reported

5. Type of auditor's report issued on compliance for major federal program(s):

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

7. Identification of major federal program:

| Assistance Listing Number(s) | Name of Federal Program or Cluster |
|---|---|
| Various | Research and Development Cluster |

8. Dollar threshold used to distinguish between Type A and Type B programs: $2,310,498.

9. Auditee qualified as a low-risk auditee? ☐ Yes ☒ No

## Section II – Financial Statement Findings

| Reference Number | Finding |
|---|---|
| | No matters are reportable. |

## Section III – Federal Award Findings and Questioned Costs

| Reference Number | Finding |
|---|---|
| | No matters are reportable. |

## MRIGlobal
## Summary Schedule of Prior Audit Findings
## Year Ended September 30, 2025

| Reference Number | Summary of Finding | Status |
|---|---|---|
| 2024-001<br>2023-001<br>2022-001 | **Research and Development Cluster**<br>**Classified Government Agencies - 99.DD** | Not warranting further action |

**Criteria or Specific Requirement –** Management is responsible for compliance with federal statutes, regulations, contracts and the terms and conditions of its federal awards applicable to the Research and Development Cluster.

**Condition –** MRIGlobal Group has classified contracts which only specified parties have clearance to access the contracts and review work performed under the contracts.

**Questioned Costs –** Not applicable

**Context –** Classified contract expenditures total $4,231,084, which represents approximately 6% of the total schedule of expenditures of federal awards.

**Effect –** Due to the security requirements related to the classified contracts, we were not permitted to obtain sufficient appropriate audit evidence supporting the compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Research and Development Cluster as it relates to these classified contracts.

**Cause –** The federal funding agency has categorized the Statement of Work for certain contracts as classified; therefore, we were unable to obtain and review related contracts in order to test compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Research and Development Cluster as it relates to these classified contracts.

**Identification as a Repeat Finding –** Yes

**Reason for Not Warranting Further Actions –** Due to the classified nature of these contracts, no corrective action can take place because of the restrictions enforced by the sponsor's security requirements. While examination of financial mechanics related to these contracts could be performed, there is no ability, due to the classified nature of the work, for the auditors to examine the terms of the contract, specification of deliverables, required reports and equipment, explicitly unallowable costs or other special contract limits. During the year ended September 30, 2025, the classified contracts did not represent a material portion of the Research and Development Cluster and an unmodified opinion was issued.