Consolidated Financial Statements and Report of Independent Certified Public Accountants

KARNAVATI HOLDINGS, INC. AND SUBSIDIARIES

March 31, 2021 and 2020

C O N T E N T S

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Karnavati Holdings, Inc.

We have audited the accompanying consolidated financial statements of Karnavati Holdings, Inc. (a Delaware corporation) and subsidiaries, which comprise the consolidated balance sheets as of March 31, 2021 and 2020, and the related consolidated statements of operations, stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Grant Thornton

Opinion
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Karnavati Holdings, Inc. and subsidiaries as of March 31, 2021 and 2020, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary information
Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating balance sheet and consolidating statement of operations are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such supplementary 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. These additional procedures included comparing and reconciling the 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 auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Grant Thornton LLP

Kansas City, Missouri
May 27, 2021

CONSOLIDATED FINANCIAL STATEMENTS

Karnavati Holdings, Inc. and Subsidiaries

CONSOLIDATED BALANCE SHEETS

Years Ended March 31,

(in thousands, except per value per share amounts)

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	$ 37,060	$ 43,843
Certificates of deposit	63,613	63,613
Accounts receivable, net	63,726	73,595
Income taxes receivable	22,943	19,300
Other receivables	170	325
Inventories, net	64,687	60,415
Other current assets	4,542	2,646
Total current assets	256,741	263,737
Property, plant, and equipment, net	224,104	240,431
Investment in joint venture	191	233
Right of use assets, net of finance lease amortization	43,064	41,268
Intangible assets	400	400
Total assets	$ 524,500	$ 546,069
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Current maturities of long-term debt	$ 88,500	$ -
Accounts payable	32,309	37,395
Accrued salaries and wages	9,166	8,166
Other accrued liabilities	12,994	13,942
Total current liabilities	142,969	59,503
Other noncurrent liabilities	50,689	48,482
Long-term debt	-	100,000
Deferred tax liabilities	27,069	30,902
Total liabilities	220,727	238,887
Stockholder's equity		
Common stock, $0.10 par value per share; authorized, 300 shares; issued and outstanding, 100 shares	10	10
Additional paid-in capital	124,991	124,991
Retained earnings	178,772	182,181
Total stockholder's equity	303,773	307,182
Total liabilities and stockholder's equity	$ 524,500	$ 546,069

The accompanying notes are an integral part of these statements.

Karnavati Holdings, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF OPERATIONS

Years ended March 31,

(in thousands)

	2021	2020
Net sales	$ 327,226	$ 336,392
Cost of goods sold - products	235,156	266,715
Cost of goods sold - shipping and handling	92,027	90,854
Gross profit (loss)	43	(21,177)
Selling, general, and administrative expenses	10,717	8,970
Casualty gain, net	-	(1,942)
Loss from operations	(10,674)	(28,205)
Interest expense	412	772
Loss before income taxes	(11,086)	(28,977)
Income taxes benefit	(7,677)	(13,785)
Net loss	$ (3,409)	$ (15,192)

The accompanying notes are an integral part of these statements.

Karnavati Holdings, Inc. and Subsidiaries

CONSOLIDATED STATEMENT OF STOCKHOLDER'S EQUITY

Years ended March 31, 2021 and 2020

(in thousands)

	Common stock	Additional paid-in capital	Retained earnings	Total stockholder's equity
Balance, March 31, 2019	$ 10	$ 124,991	$ 197,373	$ 322,374
Net loss	-	-	(15,192)	(15,192)
Balance, March 31, 2020	10	124,991	182,181	307,182
Net loss	-	-	(3,409)	(3,409)
Balance, March 31, 2021	$ 10	$ 124,991	$ 178,772	$ 303,773

The accompanying notes are an integral part of this statement.

Karnavati Holdings, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended March 31,

(in thousands)

	2021	2020
Cash flows from operating activities		
Net loss	$ (3,409)	$ (15,192)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Depreciation and depletion	25,624	25,432
Deferred taxes	(3,833)	2,731
Loss on investment in joint venture	318	314
Insurance claim proceeds	-	10,000
Loss on disposal	76	2,994
Changes in operating assets and liabilities		
Accounts receivable	9,869	(16,934)
Income tax receivable	(3,643)	(19,300)
Other receivables	155	62
Inventories	(4,272)	315
Other current assets	(1,896)	(558)
Other noncurrent assets	9,347	(4,825)
Accounts payable, accrued salaries and wages, and other accrued liabilities	(4,771)	(9,869)
Other noncurrent liabilities	(9,426)	3,756
Net cash provided by (used in) operating activities	14,139	(21,074)
Cash flows from investing activities		
Purchases of property, plant, and equipment	(9,782)	(49,080)
Maturities of certificants of deposit	485,089	109,546
Investments in certficates of deposit	(485,089)	(92,461)
Investment in joint venture	(276)	(250)
Net cash used in investing activities	(10,058)	(32,245)
Cash flows from financing activities		
Proceeds from revolving credit facility	21,500	41,874
Repayments of revolving credit facility	(33,000)	(21,550)
Proceeds from short-term debt	-	45,000
Proceeds from finance lease	975	1,481
Payments of finance lease	(339)	(56)
Net cash (used in) provided by financing activities	(10,864)	66,749
Change in cash and cash equivalents	(6,783)	13,430
Cash and cash equivalents, beginning of year	43,843	30,413
Cash and cash equivalents, end of year	$ 37,060	$ 43,843
Supplemental disclosure of cash flow information		
Cash paid/(refunded) during the year for		
Interest	$ 2,289	$ 2,269
Taxes	(270)	1,364
Noncash investing activity		
Purchases of property, plant, and equiment in accounts payable	$ 1,620	$ 2,076

The accompanying notes are an integral part of these statements.

NOTE A - BASIS OF CONSOLIDATION AND NATURE OF BUSINESS

The Consolidated Financial Statements include the accounts of Karnavati Holdings, Inc. and its wholly owned subsidiaries and affiliates, companies that it controls and those in which it holds a majority voting interest. These companies include Searles Valley Minerals Inc. ("SVM") and subsidiaries ("Searles Domestic Water Company LLC, Trona Railway Company LLC, and Searles Valley Minerals Europe S.A.S."), Karnavati Holdings, Inc., ("Karnavati") and its direct and indirect subsidiaries are collectively referred to as the ("Company"). Karnavati was incorporated on November 20, 2007 and is a wholly owned subsidiary of Nirma Ltd. ("Nirma" or "Parent"). All intercompany balances have been eliminated in consolidation.

The Company is a producer and marketer of inorganic chemicals with mining and manufacturing sites in Trona, California. The Company's headquarters is located in Overland Park, Kansas. Its principal products are soda ash, sodium sulfate, potassium sulfate, salt and various boron based chemicals. These products serve a variety of global markets, including agriculture, the chemical process industry, and glass manufacturing.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Cash and Cash Equivalents*

Cash and cash equivalents include cash, cash investments, and any highly liquid investments with original maturities of three months or less. The Company has cash balances with financial institutions that periodically exceed the limits of coverage provided by the Federal Deposit Insurance Corporation.

2. *Certificates of Deposit*

Certificates of deposit held for investment that are not debt securities with original maturities greater than three months and remaining maturities less than one year are classified as current assets. Certificates of deposit with remaining maturities greater than one year are classified as long-term assets.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. *Revenue Recognition and Accounts Receivable*

The Company follows the Financial Accounting Standards Board (the "FASB") Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers* ("ASC 606") that requires companies to recognize revenue when a customer obtains control. The Company's revenue arrangements generally consist of a single performance obligation to transfer promised goods or services. Under ASC 606, substantially all of the Company's revenue is recognized at a point in time when control of the goods transfers to the customer.

The Company recognizes revenue at the time of shipment to the customer, which generally coincides with the transfer of title and risk of ownership to the customer. Sales represent billings to customers net of sales tax collected on product purchased by the customer.

Accounts receivable are due 30-90 days after delivery or according to the contract terms and are stated at amounts due from customers. Any accounts outstanding longer than their contractual payment terms are considered past due. The Company writes off accounts receivable when they are deemed to be uncollectible. The Company has historically had minimal write offs of accounts receivable.

4. *Inventories and Lower of Cost or Net Realizable Value*

Raw materials and supply costs are carried at the lower of cost or net realizable value (first-in, first-out (FIFO) at the average cost method). In calculating the lower of cost or net realizable value reserve, the Company compares the average finished inventory cost to the current market selling price less costs of completion which usually include distribution costs. Raw materials and supplies primarily consist of raw materials purchased for use in the production of inorganic chemicals, spare parts, maintenance materials, and packaging materials. Finished goods costs are determined by FIFO. Finished goods comprise inorganic chemicals and salt. All costs associated with the production of inorganic chemicals and salt are included in finished goods inventory. Finished goods also include logistics costs, which represent the Company's costs incurred to ship and store inventory at warehousing locations until the product is ultimately sold to the customer.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

5. *Property, Plant, and Equipment*

Property, plant, and equipment are stated at cost less accumulated depreciation and depletion. The costs of replacements or renewals that improve or extend the life of the existing property are capitalized. Upon retirement or disposition of an asset, any resulting gain or loss is included in the results from operations. Depreciation and depletion are computed by the straight-line method over the estimated useful lives of the respective classes of assets as follows:

Buildings and improvements	10 to 30 years
Machinery and equipment	2 to 25 years
Mineral reserves	200 years

Property, plant, and equipment to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require property, plant, and equipment to be tested for possible impairment, the Company reviews undiscounted cash flows at the lowest level for which identifiable cash flows exist compared to its carrying value. Impairment occurs when the carrying value of the asset exceeds the estimated future undiscounted cash flows generated by the asset. When impairment is indicated, an impairment charge is recorded for the difference between the carrying value of the asset and its fair market value. Depending on the asset, fair market value may be determined either by use of a discounted cash flow model or by reference to estimated selling values of assets in similar condition. There was no impairment for the years ended March 31, 2021 and 2020.

6. *Major Maintenance Activities*

Costs for major maintenance activities that are expected to benefit current and future periods and that extend the useful life of the related assets are separately capitalized in property, plant, and equipment and are amortized over the estimated period until the next planned major maintenance activity or in the case of a restoration project, for the updated useful life of the asset.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

7. *Intangible Assets*

The Company's $400 trademark intangible asset is deemed to have an indefinite life and is not amortized but is reviewed annually for impairment.

8. *Income Taxes*

Income taxes are accounted for using the liability method. Such method results in the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the book carrying amounts and the tax basis of the related assets and liabilities. Deferred tax assets are reduced by a valuation allowance when management believes it is more likely than not that they will not be realized, entirely or in part.

9. *Environmental Costs*

Environmental costs, other than those of a capital nature, are accrued at the time the obligation becomes probable and costs can reasonably be estimated. Costs are accrued based upon management's estimates of all direct costs. The Company does not accrue liabilities for unasserted claims that are not probable of assertion.

10. *Fair Value of Financial Instruments*

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company uses the following fair value hierarchy, which requires it to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value:

Level 1 Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 Significant other 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.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The carrying amounts of accounts receivable and accounts payable approximated fair values at March 31, 2021 and 2020 because of the short maturities of these instruments. The carrying amounts of long-term debt, including the current portion approximated fair value as of March 31, 2021 and 2020, due to the variable nature of the debt's interest rate.

11. *Concentration of Credit Risk*

The Company's products are sold throughout North America and internationally. No single customer or group of affiliated customers' accounts for more than 10% of the Company's net sales for the years ended March 31, 2021 or 2020. One customer accounted for 10% and 11% of the Company's accounts receivable as of March 31, 2021 and 2020, respectively. Net sales to customers outside North America aggregated 29% and 33% of total net sales for the years ended March 31, 2021 and 2020, respectively. Receivables from customers outside North America aggregated 31% of total receivables as of March 31, 2021 and 2020.

12. *Joint Venture*

The Company and FRM Refined Fuels LLC ("FRM"), collectively, the "Investors", formed FRM Trona Fuels, LLC ("FTF") on October 26, 2011 to lease, develop, construct, own, and operate a refined coal facility at the Company's Trona, California manufacturing site. FTF's business is to purchase raw coal, apply a treatment to the raw coal to reduce pollutant emissions, and subsequently sell the refined coal. FTF expects to generate tax credits for the Investors (See Note J Income Taxes for credits earned). To qualify for the tax credit, FTF must produce a refined coal from raw coal, and show that the refined coal, when burned to produce steam, has lower emission than raw coal. SVM is a 49% owner of FTF, and FRM is a 51% owner of FTF and manager of FTF. The Company has accounted for their interest in FRM as an equity method investment. The Investors have a contractual obligation to make annual capital contributions to FRM to keep FRM solvent until November 2021. The Company does not believe the annual contribution will exceed $500 in any year. For the years ended March 31, 2021 and 2020, the Company contributed $276 and $250, respectively.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

13. *Management Estimates*

The Consolidated Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which requires management to make estimates and assumptions that affect the amounts reported in the Consolidated Financial Statements. Significant estimates include an allowance for doubtful accounts, inventory reserves for lower of cost or net realizable value; obsolete, and slow-moving supplies inventory; estimated lives used for calculation of depreciation and amortization; accruals for environmental liabilities; self-insurance reserves; legal liabilities; recoverability of deferred tax assets; port commitments; asset retirement obligations, and other accruals. Actual results could differ from those estimates.

14. *Leases*

The Company follows the FASB issued Accounting Standards Update ("ASU") 2016-02, *Leases* ("ASC 842") which requires lessees to recognize on their balance sheet a right-of-use asset which represents a lessee's right to use the underlying asset, and a lease liability which represents a lessee's obligation to make lease payments for the right to use the asset.

NOTE C - LIQUIDITY

The accompanying audited Consolidated Financial Statements of the Company have been prepared in conformity with Generally Accepted Accounting Principles ("GAAP"), which contemplates continuation of the Company as a going concern. The Company incurred losses for the year ended March 31, 2020 associated with the impacts of interrupted revenue and repairs from a 7.1 magnitude earthquake in July 2019. The Company also incurred losses for the year ended March 31, 2021 associated with the impacts of the COVID-19 global pandemic relating to reduced revenue related to supply chain disruption and competitive forces.

Historically, the Company has funded some of its working capital needs and capital expenditures through long-term financing with lenders, as described further in Note I-Debt. At March 31, 2021, Searles Valley Minerals Inc. has utilized approximately $88,500 of its $100,000 of availability under the Primary and Secondary Revolving Credit Facilities (as defined in Note I) to fully fund the necessary earthquake repairs from the 2019 earthquakes and to sustain working capital for operations. The Company was in compliance with all debt covenants as of March 31, 2021.

(in thousands)

NOTE C - LIQUIDITY - Continued

The Company will need to refinance its debt within the next 12 months from March 31, 2021 as the Company's Primary and Secondary Revolving Credit Facilities expire in February of 2022. The Company believes it will be able to refinance the debt despite the recent losses associated with the 2019 earthquakes and 2020 global pandemic. Management's plans include refinancing the existing debt either through a traditional revolving credit facility or through an asset based loan. The Company believes with the projected operating cash and cash on hand, the Company should be able to facilitate a refinancing of the existing debt and meet its financial obligations within one year after the date that the Consolidated Financial Statements are available to be issued.

NOTE D - PROPERTY DAMAGE INSURANCE CLAIM SETTLEMENT

The Company incurred earthquake damage to certain buildings and equipment in July 2019. During the year ended March 31, 2020, the Company submitted an insurance claim and received $10,000 in insurance proceeds to cover business interruption losses. In addition, the Company incurred costs to repair the damaged assets of $5,064. The Company also capitalized $23,079 for new assets or major restorations that were related to earthquake damage and had a loss on asset disposals of $2,994 for the year ended March 31, 2020. The table below summarizes the net casualty gain.

	2020
Business interuption proceeds	$ 10,000
Asset repair expense	(5,064)
Loss on asset disposals	(2,994)
Casualty gain, net	$ 1,942

NOTE E - REVENUES

Nature of Products and Services

The Company has one product segment, inorganic chemicals, which includes soda ash, sodium sulfate and various boron based chemicals.

Identifying the Contract

The Company accounts for a customer contract when there is approval and commitment from both parties, the rights of the parties and payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

Identifying the Performance Obligations

At contract inception, the Company assesses the goods it has promised to its customers and identifies a performance obligation for each promise to transfer to the customer a distinct good or bundle of goods. Determining whether products are considered distinct performance obligations that should be accounted for separately or aggregated together may require significant judgment.

Identifying and Allocating the Transaction Price

The Company's revenues are measured based on consideration specified in the customer contract, net of any sales incentives and amounts collected on behalf of third parties such as sales taxes. The Company's contracts generally consist of a single performance obligation to transfer promised goods. As a result, the Company does not have to allocate the transaction price.

When Performance Obligations Are Satisfied

The vast majority of the Company's revenues are recognized at a point in time when the performance obligations are satisfied based upon transfer of control of the product or service to a customer. To determine when the control of goods is transferred, the Company typically assesses, among other things, the shipping terms of the contract. Revenue for most of the Company's products is recognized when the goods transferred are shipped to the customer because the shipping terms state that control passes to the customer at the time of shipment. The Company has no contract assets or liabilities as of March 31, 2021 and 2020.

NOTE E - REVENUES - Continued

Significant Payment Terms

The customer contract states the final terms of the sale, including the description, quantity and price of each product purchased. Payment is typically due in full within 30 to 90 days of delivery. As a practical expedient, the Company does not adjust consideration for the effects of a significant financing component if the Company expects, at contract inception, that the period between when the good or service is transferred to the customer and when the customer pays for that good will be one year or less.

Refunds, Returns and Warranties

The Company's products are generally not sold with a right of return and the Company does not generally provide material credits or incentives, which may be required to be accounted for as variable consideration when estimating the amount of revenue to be recognized. The Company uses historical experience to estimate accruals for refunds due to manufacturing or other defects.

Practical Expedients and Accounting Policy Elections

The Company has elected (i) to exclude disclosures of transaction prices allocated to remaining performance obligations when the Company recognized such revenue for all periods prior to the date of initial application of ASC 606, (ii) not to adjust the amount of consideration for the effects of a significant financing component when the Company expects, at contract inception, that the period between the Company's transfer of a product or service to a customer and when the customer pays for that product or service will be one year or less, (iii) to expense costs to obtain a contract as incurred when the Company expects that the amortization period would have been one year or less, (iv) not to recast revenue for customer contracts that begin and end in the same fiscal period, and (v) not to assess whether promised goods are performance obligations if they are immaterial in the context of the customer contract.

See Note N for disaggregation of revenue by geographical region.

(in thousands)

NOTE F - INVENTORIES

Inventories consisted of the following at March 31,

	2021	2020
Finished goods	$ 39,692	$ 34,640
Raw materials	6,484	9,291
Supplies	29,862	26,865
Total	$ 76,038	$ 70,796
Reserves and lower of cost or net realizable value adjustment	(11,351)	(10,381)
	$ 64,687	$ 60,415

NOTE G - PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment consisted of the following at March 31,

	2021	2020
Land and improvements	$ 2,726	$ 2,726
Buildings and improvements	3,298	3,298
Machinery and equipment	471,515	409,397
Mineral reserves	33,882	33,882
Construction in progress	15,467	69,210
	526,888	518,513
Less accumulated depreciation and depletion	(302,784)	(278,082)
	$ 224,104	$ 240,431

The Company capitalized interest of $1,939 and $1,406 for the years ended March 31, 2021 and 2020, respectively, related to construction in progress.

(in thousands)

NOTE H - ASSET RETIREMENT OBLIGATION ("ARO")

The Company has significant obligations to remove tangible equipment and restore land at the end of various agreements for the Company's production operations. The Company's removal and restoration obligations are primarily associated with the removal of leasehold improvements at one of the Company's port operations, plugging and abandoning wells and restoring land. Estimating the future restoration and removal costs is difficult and requires management to make estimates and judgments. Asset removal technologies and costs are constantly changing, as are regulatory, political, environmental, safety, and public relations considerations.

AROs associated with retiring tangible long-lived assets are recognized as a liability in the period in which the legal obligation is incurred and becomes determinable. The liability is offset by a corresponding increase in the underlying asset. The ARO liability reflects the estimated present value of the amount of dismantlement, removal, site reclamation, and similar activities associated with the Company's properties. The Company utilizes current retirement costs to estimate the expected cash outflows for retirement obligations. Inherent in the present value calculation are numerous regulatory, environmental, and political environments. Accretion expense is recognized over time as the discounted liability is accreted to its expected settlement value.

The following table describes the changes to the Company's ARO liability, which is included in other noncurrent liabilities, for the years ended March 31, 2021 and 2020:

	2021	2020
Asset retirement obligation at beginning of year	$ 9,365	$ 8,734
Accretion expenses	329	631
Asset retirement obligation at end of year	$ 9,694	$ 9,365

The ARO liability reflects the estimated present value of the amount of dismantlement, removal, site reclamation, and similar activities associated with the Company's production and leased port properties. The Company utilizes current retirement costs to estimate the expected cash outflows for retirement obligations. The Company estimates the ultimate productive life of the properties, a risk-adjusted discount rate of 7.43%, and an inflation rate of 2.00%, in order to determine the current present value of this obligation.

(in thousands)

NOTE I - DEBT

Debt consisted of the following at March 31,

	2021	2020
Primary revolving credit facility, interest paid monthly, bearing a weighted average interest rate of 3.75% at March 31, 2021	$ 43,500	$ 55,000
Secondary revolving credit facility, interest paid monthly, bearing a weighted average interest rate of 2.00% at March 31, 2021	45,000	45,000
	$ 88,500	$ 100,000
Less current maturities of long-term debt	(88,500)	-
Long-term debt	$ -	$ 100,000

The Company has a historical credit facility, Primary Revolving Credit Facility ("Primary Credit Facility"), with JP Morgan Chase & Co. ("JP Morgan Chase") in which SVM could borrow $65,000 less outstanding letters of credit, subject to certain financial covenants. In order to increase liquidity due to decreased cash flows associated with the July 2019 earthquakes, SVM amended the March 1, 2019 Primary Revolving Credit Facility with JP Morgan Chase on September 30, 2019. The amended agreement reduced the available amount under the Primary Revolving Credit Facility to $55,000 plus outstanding letters of credit and provided an additional $45,000 of available borrowings under the Secondary Revolving Credit Facility ("Secondary Credit Facility").

The Primary Credit Facility is secured by SVM's accounts receivable, inventory and property, plant and equipment. The Secondary Credit Facility is secured by Karnavati's cash deposits with the lender, accounts receivable, inventory, and property, plant, and equipment. The Primary and Secondary Revolving Credit Facilities will expire on February 28, 2022.

NOTE I - DEBT - Continued

As a result the related outstanding balances at March 31, 2021 are classified as short-term on the accompanying Consolidated Balance Sheets. Due to the revolving nature of loans under the Company's credit facility, additional borrowings and periodic repayments and re-borrowings may be made until the maturity date of February 28, 2022.

The Primary and Secondary Revolving Credit Facilities have certain covenants the Company must maintain.

For the years ended March 31, 2021 and 2020, SVM had outstanding letters of credit totaling $6,765. Available borrowings under the Primary Revolving Credit Facility as of March 31, 2021 and 2020 were $11,500 and $0, respectively. Available borrowings under the Secondary Revolving Credit Facility as of March 31, 2021 and 2020 were $0.

Loans under the amended Primary Revolving Credit Facility bear interest at SVM's option at either:

- A base Rate, one-month LIBOR plus 3.00%
- A LIBOR floor of 0.75%
- Commercial Bank Floating Rate less 0.05 %

Loans under the Secondary Revolving Credit Facility bear interest at SVM's option at either:

- A base Rate, one-month LIBOR plus 1.25%
- A LIBOR floor of 0.75%
- Commercial Bank Floating Rate less 0.05 %

The unused portion of the Primary Revolving Credit Facility and Secondary Revolving Credit Facility is subject to an unused line fee of 0.05%.

(in thousands)

NOTE J - INCOME TAXES

Income tax benefit consisted of the following at March 31,

	2021	2020
Federal		
Current	$ (4,876)	$ (15,367)
Deferred	(1,463)	2,987
	(6,339)	(12,380)
State		
Current	1,032	(1,204)
Deferred	(2,370)	(256)
	(1,338)	(1,460)
Foreign		
Current	-	55
	$ (7,677)	$ (13,785)

For the years ended March 31, 2021 and 2020, the provisions for income taxes for the year 2021 is different than expected from applying statutory rates to pretax income. The difference is predominately due to the impact resulting from the 2021 enactment of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES" Act) and permanent tax differences, primarily depletion. On March 27, 2020, the U.S. government enacted comprehensive tax legislation. The CARES Act makes broad and complex changes to the U.S. tax code, including, but not limited to, (1) granting taxpayers a 5-year carryback period for net operating losses ("NOLs") arising in the tax years beginning after December 31, 2017 and before January 1, 2021; and (2) accelerating the utilization of any remaining minimum tax credits (corporate alternative minimum tax credits (corporate alternative minimum tax) to offset against regular tax or elect to claim the entire refundable credit beginning in tax year 2019. The Company generated a federal NOL for the year ended March 31, 2021 and carried the NOLs back to March 31, 2017, 2018 and 2019. The NOL carryback years fall under the pre Tax Cut and Jobs Act of 2017 ("TCJA") tax.

The Company earned tax credits for refined coal treatments related to the joint venture with FRM (See Note B (12) Joint Venture). The Company earned refined coal tax credits of $2,056 and $1,863 for the years ended March 31, 2021 and 2020, respectively.

(in thousands)

NOTE J - INCOME TAXES - Continued

Deferred federal income taxes result from temporary differences between the amounts of assets and liabilities reported for financial reporting purposes and income tax purposes. The components of the deferred tax assets and the deferred tax liabilities are as follows as of March 31,

	2021	2020
Deferred income tax assets:		
Inventories	$ 2,282	$ 1,263
Lease liabilitities	10,749	11,358
Asset retirement obligation	2,560	2,462
Other accrued liabilities	2,774	1,216
Other noncurrent liabilities	1,016	2,040
Federal net operating loss carryforward	6,282	-
State net operating loss carryforward	2,257	221
General business credit carryforward	6,356	1,968
Alternative minimum tax credit carryforward	2,554	2,788
Total gross deferred income tax assets	36,830	23,316
Less valuation allowance	(2,554)	(2,788)
Net deferred income tax assets	34,276	20,528
Deferred income tax liabilities:		
Property, plant, and equipment	(41,858)	(40,102)
ROU assets	(10,738)	(10,888)
Intangible assets	(8,460)	(105)
Other current assets	(219)	(254)
Other noncurrent assets	(70)	(81)
Total gross deferred income tax liabilities	(61,345)	(51,430)
Net deferred income tax liabilities	$ (27,069)	$ (30,902)

NOTE J - INCOME TAXES - Continued

At March 31, 2021 and 2020, the Company had federal and California alternative minimum tax ("AMT") credit carryforwards of approximately $3,232 and $3,529, respectively, which may be carried forward indefinitely. The Company also had federal general business credit carryforwards of $6,356 at March 31, 2021, which can be carried forward for 20 years. The CARES Act accelerated the utilization of remaining federal AMT credits immediately. The Company will elect and claim remaining refundable federal AMT credits as of March 31, 2021. As of March 31, 2021, California has not conformed to the CARES Act's provision regarding the acceleration of AMT credit utilization. Thus, due to the nature of the items giving rise to the AMT credit carryforwards, the utilization of the California AMT credit carryforwards is uncertain. Accordingly, the Company has recorded a valuation allowance of $2,544 and $2,788 as at March 31, 2021 and 2020, respectively related to such California AMT credits. The Company also has a federal net operating loss carryforward of $29,912, which was generated in the year ending March 31, 2021, which carryforwards indefinitely. The Company also has state net operating loss carryforwards of $34,077 which were generated in the year ending March 31, 2020 and 2021 which are carried forward from 10 years to indefinitely. The Company believes the results of future operations will generate sufficient taxable income to realize the benefit of the remaining deferred tax assets.

The Company files income tax returns in the U.S. federal jurisdiction, various state jurisdictions, and France. Tax years ending after fiscal 2018 remain subject to examination and assessment for federal purposes and for certain states after fiscal year 2017. However, the federal and state loss and credit carryforwards and amounts utilized in open years are also open for potential adjustment. As of the date of these financial statements, there are no ongoing examinations.

During the years ended March 31, 2021 and 2020, the Company had no uncertain tax positions. A tax position is a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more-likely-than-not" test, no tax benefit is recorded. The Company records tax interest & penalties as a pretax expense in interest expense.

NOTE K - EMPLOYEE BENEFIT PLANS

The Company has a 401(k) retirement savings and investment plan covering substantially all employees. Contributions are made to this plan by participants through voluntary salary deferral and by the Company in accordance with the terms of the plan. Expense under these benefit plans was $3,142 and $3,584 for the years ended March 31, 2021 and 2020, respectively.

The Company offers a variety of health and welfare plans to active employees. No Company sponsored health and welfare benefit plans are offered to retirees.

NOTE L - COMMITMENTS AND CONTINGENCIES

1. *Litigation*

In the ordinary course of business, the Company is involved in various legal and administrative proceedings. The Company establishes reserves for specific legal matters when it determines that the likelihood of an unfavorable outcome is probable and the loss is reasonably estimable. Management currently believes that resolving claims against the Company will not have a material impact on the liquidity, results of operations, or financial condition of the Company. However, these matters are subject to inherent uncertainties and management's view of these matters may change in the future.

2. *Leases*

The Company is a lessee in several non-cancellable operating leases, primarily for rail cars, heavy and office equipment, and real property, and finance leases for certain machinery. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Company's activities as a lessor and sub-lessor are not significant.

The Company's rail car leases have initial lease terms ranging from 1 to 10 years, some of which include options to extend or renew the leases for 2 to 7 years. For rail car leases, the options to extend are not considered reasonably certain at lease commencement because of the availability of alternative rail cars and ease of relocation. Other leases have initial lease terms ranging from 1 month to 20 years, some of which may include automatic renewal options or options to extend the leases for up to 20 years. Generally, the renewal option periods are not included within the lease term because the Company typically does not exercise renewal options except for the San Diego port lease. The San Diego lease is

NOTE L - COMMITMENTS AND CONTINGENCIES - Continued

currently in a month-to-month holdover. The Company believes both parties will more likely than not extend the agreement for a period of 20 years.

The Company determines if an arrangement is a lease at contract inception. A lease exists when a contract conveys to the customer the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. ROU assets represent the Company's right to use an underlying asset for the lease term, and lease liabilities represent the Company's obligation to make lease payments arising from the lease.

Operating leases where the Company is the lessee, are included in Right of Use Assets and Other accrued liabilities for short-term and Other noncurrent liabilities for long term on the Company's Consolidated Balance Sheets. Finance leases where we are the lessee are included in Right of Use Assets and Other accrued liabilities for short term and Other noncurrent liabilities for long term on the Company's Consolidated Balance Sheets. The ROU asset and lease liability for operating leases are initially measured and recorded at the present value of the expected future lease payments at contract commencement or modification. For finance leases, the lease liability is initially measured in the same manner and date as for operating leases and is subsequently measured at amortized cost using the effective interest method.

ASC 842 requires a lessee to discount its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate. As the interest rate implicit in the Company's leases is not readily determinable, the Company uses its incremental borrowing rate as the discount rate for the lease. The Company determines the rates using a portfolio approach. Because the Company does not generally borrow on a collateralized basis, we have developed a credit rating in order to derive an appropriate incremental borrowing rate, adjusted for the lease term and the effect of collateral.

Payments due under the lease contracts include fixed payments plus, for many of the Company's leases, variable payments such as escalations based on usage fees, property taxes, insurance, and common area maintenance which may be paid to the lessor or a third party. The Company's real property leases may include fixed escalations or escalations based on the consumer price index. The Company has elected to combine lease and nonlease components for all classes of underlying asset. Therefore, separate lease and non-lease components are accounted for as a single lease component.

(in thousands)

NOTE L - COMMITMENTS AND CONTINGENCIES - Continued

Operating lease costs are recognized on the Consolidated Statements of Operations on a straight-line basis over the lease term, with operating lease costs being recorded to cost of goods sold -products or selling, general and administrative expense based on the primary use of the leased asset. Finance lease costs are recorded to depreciation expense, and interest expense is recognized using the effective interest rate method and included in interest expense in the Company's Consolidated Statements of Operations. Variable rent payments for both operating and finance leases are not included in the measurement of the lease liability and are recognized when the event, activity, or circumstance in the lease agreement on which those payments are assessed occurs.

ROU assets for operating and finance leases may be periodically reduced by impairment losses. The Company uses the long-lived assets impairment guidance to determine whether an ROU asset is impaired, and if so, the amount of the impairment loss to recognize. As of March 31, 2021, we have not encountered any impairment losses.

The Company monitors for events or changes in circumstances that require a reassessment of a lease. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment is made to the carrying amount of the corresponding ROU asset unless doing so would reduce the carrying amount of the ROU asset to an amount less than zero. In that case, the amount of the adjustment that would result in a negative ROU asset balance is recorded in profit or loss.

The components of lease cost included in cost of goods sold for the year ended March 31,

	2021	2020
Operating lease expense	$ 12,255	$ 12,560
Finance lease cost		
Amortization of right-of-use assets	48	8
Interest on lease liabilities	80	15
Total finance lease expense	128	23
Short term lease expense	1,675	2,227
Variable lease expense	1,340	1,133
Total lease expense	$ 15,398	$ 15,943

KARNAVATI HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

March 31, 2021 and 2020

(in thousands)

NOTE L - COMMITMENTS AND CONTINGENCIES - Continued

Amounts reported in the Consolidated Balance Sheets for leases where the Company is the lessee as of the year ended March 31,

Leases	Classification		2021		2020
Assets					
Operating lease assets	Right of use assets	$	40,664	$	39,795
Finance lease assets	Right of use assets(less accumulated amortization of $56 and $8)		2,400		1,473
Total lease assets		$	43,064	$	41,268
Liabilities					
Current					
Operating	Other accrued liabilities	$	8,693	$	9,680
Finance	Other accrued liabilities		464		271
Noncurrrent					
Operating	Other noncurrent liabilities		32,010		29,966
Finance	Other noncurrent liabilities		1,598		1,154
Total lease liabilities		$	42,765	$	41,071

Information related to lease term and discount rate for the year ended March 31,

	2021	2020
Weighted-average remaining lease term		
Operating leases	5.65 years	4.86 years
Finance leases	4.16 years	4.79 years
Weighted-average discount rate		
Operating leases	4.81%	4.94%
Finance leases	4.88%	4.88%

(in thousands)

NOTE L - COMMITMENTS AND CONTINGENCIES – Continued

Other information related to leases as of the year ended March 31,

	2021	2020
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases	$ 80	$ 15
Operating cash flows from operating leases	12,077	12,692
Financing cash flows from finance leases	339	56
Total cash paid for amounts included in the measurement of lease liabilities	$ 12,496	$ 12,763
Right-of-use assets obtained in exchange for lease liabilities		
Operating leases	$ 11,190	$ 14,068
Finance leases	975	1,481
Reductions to ROU assets resulting from reductions to lease obligations		
Operating leases	-	-
Finance leases	-	-

Amounts disclosed for ROU assets obtained in exchange for lease obligations include amounts added to the carrying amount of ROU assets resulting from lease modifications and reassessments.

Maturities of lease liabilities under non-cancellable leases as of the year ended March 31, 2021 are as follows:

	Operating leases	Finance leases
2022	$ 10,405	$ 552
2023	9,958	$ 552
2024	8,967	$ 552
2025	8,166	482
2026	3,346	134
Thereafter	6,024	-
Total undiscounted lease payments	$ 46,866	$ 2,272
Less imputed interest	6,163	210
Total lease liabilities	$ 40,703	$ 2,062

NOTE L - COMMITMENTS AND CONTINGENCIES - Continued

As of the year ended March 31, 2021, we have no additional operating or finance leases that have not yet commenced.

The Company must at a minimum of once during the life of the agreement perform abrasive blasting and subsequently painting the exterior of each railcar. The agreements mature between 2020 and 2026, and the estimated remaining obligation as of March 31, 2021 to fulfill this requirement is $1,004. These payments are not included as part of the Company's lease payments because re-painting of railcars is considered routine maintenance.

3. *Self-Insurance*

The Company is self-insured for certain employee health benefits ($260 annually per employee with no annual aggregate) and workers' compensation ($750 per accident). Self-insurance costs are accrued based upon the aggregate of the liability for reported claims and an estimated liability for claims incurred but not reported. The liability is included in current other accrued liabilities and other noncurrent liabilities.

At March 31, 2021 and 2020, the Company recorded a liability of $1,495 and $1,358, respectively, in Other accrued liabilities for self-insured medical costs. At March 31, 2021 and 2020, the Company recorded a liability of $4,804 ($930 classified in Other accrued liabilities and $3,874 in Other noncurrent liabilities) and $5,534 ($1,075 classified in Other accrued liabilities and $4,459 in Other noncurrent liabilities), respectively, for self-insured worker's compensation costs.

4. *Royalties*

A substantial portion of the land used in the Company's operations in Searles Valley, California is owned by the U.S. government. The Company pays a royalty to the U.S. government of 5% on the net sales value of the minerals extracted from government land. The U.S. government reduced the royalty rate for Soda Ash products from 5% to 2% for a 10 year period starting on January 1, 2021. The leases generally have a term of 10 years with preferential renewal options. Royalty expense included in Cost of goods sold-products was $7,353 and $7,750, for the years ended March 31, 2021 and 2020, respectively.

NOTE L - COMMITMENTS AND CONTINGENCIES - Continued

5. *Purchase Commitments*

As of March 31, 2017, the Company has entered into supply contracts to purchase coal and as of March 31, 2021, the Company has entered into supply contracts to purchase natural gas. The purchase commitments have been for amounts to be consumed within the normal production process, and thus, the Company has determined that these contracts meet normal purchases and sales exceptions as defined under U.S. GAAP. As such, these contracts have been excluded from recognition within these Consolidated Financial Statements until the actual contracts are physically settled. The purchase commitments for coal are with two suppliers and one supplier for natural gas and require the Company to purchase a minimum usage. Future minimum purchases remaining under the coal agreement are $17,184 through December 31, 2022. Future minimum purchases remaining under the gas agreement are $1,552 through October 31, 2023.

6. *Sales Commitments*

The Company has various agreements with customers to sell specified amounts of sodium sulfate, soda ash, potassium sulfate, salt, and boron products over a period of 1 to 3 years at fixed sales prices and minimum quantities. Management does not anticipate any significant losses from these contracts.

7. *Minimum Annual Guarantee*

The Company's shipments through the San Diego and Long Beach, California ports require a minimum annual guaranty ("MAG"). The Port of San Diego requires that the Company ship a minimum amount of tons at a fixed wharfage charge through the port on an annual basis through expiration of the agreement. The Port of Long Beach requires that the Company ship an annual minimum tonnage through the port at the basis rates. The San Diego port agreement is currently in a hold over period. The Company intends to remain in San Diego for at least another 20 years if it can successfully renew its agreement with the Port of San Diego over such period. The Long Beach port agreement expires in December 2021. For the San Diego port, the Company recorded $703 and $694 in unfulfilled MAG commitments as of March 31, 2021 and 2020, respectively, which are included in Accounts payable. Future MAG commitments based on the lease periods noted above on the San Diego and Long Beach ports through the respective contract expiration dates are $12,430 and $3,738, respectively.

(in thousands)

NOTE L - COMMITMENTS AND CONTINGENCIES - Continued

8. *Environmental Matters*

At March 31, 2021 and 2020, the Company recorded accruals $2,716 ($80 classified in Other accrued liabilities and $2,636 in Other noncurrent liabilities) for future costs associated with environmental matters.

NOTE M - RELATED-PARTY TRANSACTIONS

The Company had sales of $11,100 and $5,058 for the years ended March 31, 2021 and 2020, respectively, and accounts receivable of $53 and $18 as of March 31, 2021 and 2020, respectively, with its Parent.

NOTE N - REVENUE BY REGION

Information related to sales for the years ended March 31,

Region	2021	2020
Domestic	$ 138,599	$ 127,281
International	188,627	209,111
	$ 327,226	$ 336,392

NOTE O - SUBSEQUENT EVENTS

The Company has evaluated subsequent events from the Consolidated Balance Sheet date through May 27, 2021 the date on which the Consolidated Financial Statements were available to be issued, and determined that there are no other items to disclose.

SUPPLEMENTARY INFORMATION

Karnavati Holdings, Inc. and Subsidiaries

CONSOLIDATING BALANCE SHEET

March 31, 2021

(in thousands)

	Searles Valley Minerals Europe, S.A.S.	Trona Railway Company, LLC	Searles Domestic Water Company, LLC	Searles Valley Minerals Inc. (SVM)	SVM eliminations	SVM consolidated	Karnavati Holdings, Inc. (KHI)	KHI eliminations	KHI consolidated
Current assets									
Cash and cash equivalents	$ 439	$ -	$ 613	$ 3,484	$ -	$ 4,536	$ 32,524	$ -	$ 37,060
Certificates of deposit	-	-	-	-	-	-	63,613	-	63,613
Accounts receivable, net	3	68	46	63,609	-	63,726	-	-	63,726
Income tax receivable	-	-	-	22,950	-	22,950	(7)	-	22,943
Other receivables	14	-	-	150	(8)	156	14	-	170
Inventories, net	-	34	116	64,537	-	64,687	-	-	64,687
Other current assets	8	-	3	4,531	-	4,542	-	-	4,542
Total current assets	464	102	778	159,261	(8)	160,597	96,144	-	256,741
Property, plant, and equipment, net	4	4,214	409	219,477	-	224,104		-	224,104
Investment in joint venture	-	-	-	76,227	(76,036)	191	192,517	(192,517)	191
Right of use assets, net of finance lease amortization	-	407	-	42,657	-	43,064	-	-	43,064
Intangible assets	-	-	-	400	-	400	-	-	400
Total assets	$ 468	$ 4,723	$ 1,187	$ 498,022	$ (76,044)	$ 428,356	$ 288,661	$ (192,517)	$ 524,500
Current liabilities									
Current maturities of long-term debt	$ -	$ -	$ -	$ 88,500	$ -	$ 88,500	$ -	$ -	$ 88,500
Accounts payable	24	8,052	27	24,206	-	32,309	-	-	32,309
Accrued salaries and wages	65	310	-	8,791	-	9,166	-	-	9,166
Other accrued liabilities	10	220	12	12,642	(8)	12,876	118		12,994
Total current liabilities	99	8,582	39	134,139	(8)	142,851	118	-	142,969
Due to parent	(132)	(78,641)	78	93,925	-	15,230	(15,230)	-	-
Other noncurrent liabilities	-	318	-	50,371	-	50,689	-	-	50,689
Long-term debt	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	-	-	-	27,069	-	27,069	-	-	27,069
Total liabilities	(33)	(69,741)	117	305,504	(8)	235,839	(15,112)	-	220,727
Stockholder's equity									
Common stock	-	-	-	-	-	-	10	-	10
Additional paid-in capital	744	29,435	372	201,921	(32,959)	199,513	124,991	(199,513)	124,991
Retained earnings	(243)	45,029	698	(9,403)	(43,077)	(6,996)	178,772	6,996	178,772
Total stockholder's equity	501	74,464	1,070	192,518	(76,036)	192,517	303,773	(192,517)	303,773
Total liabilities and stockholder's equity	$ 468	$ 4,723	$ 1,187	$ 498,022	$ (76,044)	$ 428,356	$ 288,661	$ (192,517)	$ 524,500

Karnavati Holdings, Inc. and Subsidiaries
CONSOLIDATING STATEMENT OF OPERATIONS
March 31, 2021
(in thousands)

	Europe, S.A.S.	LLC	Company, LLC	(SVM)	eliminations	consolidated	(KHI)	eliminations	consolidated
Net sales	$ -	$ 10,496	$ 616	$ 326,579	$ (10,465)	$ 327,226	$ -	$ -	$ 327,226
Cost of goods sold - products	2	6,366	514	238,739	(10,465)	235,156	-	-	235,156
Cost of goods sold - shipping and handling	-	-	-	92,027	-	92,027	-	-	92,027
Gross profit (loss)	(2)	4,130	102	(4,187)	-	43	-	-	43
Selling, general and administrative expenses	(44)	-	-	11,001	-	10,957	(462)	222	10,717
Income (loss) from operations	42	4,130	102	(15,188)	-	(10,914)	462	(222)	(10,674)
Interest expense	-	4	-	631	-	635	-	(222)	412
Income (loss) from subsidiary	-	-	-	4,270	(4,270)	-	(3,751)	3,751	-
Income (loss) before taxes	42	4,126	102	(11,549)	(4,270)	(11,549)	(3,289)	3,751	(11,086)
Income tax expense (benefit)	-			(7,798)		(7,798)	121		(7,677)
Net income (loss)	$ 42	$ 4,126	$ 102	$ (3,751)	$ (4,270)	$ (3,751)	$ (3,410)	$ 3,751	$ (3,409)