UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): December 15, 2025

CARDINAL INFRASTRUCTURE GROUP INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	001-43004	39-3180206
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

100 E. Six Forks Road, #300
Raleigh, North Carolina 27609
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (919) 324-1964

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class Symbol(s) on which registered	Trading	Name of each exchange
Class A Common Stock, $0.0001 Par Value	CDNL	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.01. Completion of Acquisition or Disposition of Assets.

As previously disclosed in connection with the initial public offering (the "***Offering***") by Cardinal Infrastructure Group Inc. (the "***Company***") of its Class A common stock, par value $0.0001 (the "***Common Stock***"), described in the prospectus (the "***Prospectus***"), dated December 9, 2025, filed with the Securities and Exchange Commission pursuant to Rule 424(b) of the Securities Act of 1933, as amended (the "***Securities Act***"), which is deemed to be part of the Registration Statement on Form S-1 (File No. 333-290850) (as amended, the "***Registration Statement***"), on October 1, 2025, the Company, through its wholly owned subsidiary Aviator Paving Company Charlotte, LLC, acquired (the "***Acquisition***") substantially all of the assets of Red Clay Industries, Inc. ("***Red Clay***") pursuant to an asset purchase agreement (the "***APA***") for a total consideration of approximately $40.0 million consisting of (i) $39.0 million in cash and (ii) the assumption of approximately $1.0 million of liabilities.

The foregoing description of the APA and the transactions contemplated thereby does not purport to be complete and is subject to, and qualified in its entirety by reference to, the full text of the APA, a copy of which is attached hereto as Exhibit 2.1 and is incorporated herein by reference.

Item 8.01 Other Events

Red Clay is a provider of asphalt paving, concrete contracting, concrete reclamation and soil stabilization in North Carolina. For the year ended December 31, 2024, Red Clay had revenue of $44.9 million and net income of $3.1 million and, for the nine months ended September 30, 2025, Red Clay had revenue of $37.1 million and net income of $1.6 million. In connection with the Acquisition, certain employees of Red Clay received grants of equity unit interests in Cardinal Civil Contracting Holdings LLC ("***Cardinal***"), a wholly-owned subsidiary of the Company, having an estimated fair value of $5.8 million.

For the year ended December 31, 2024, the Company had Pro Forma Net Income of $17.8 million, Pro Forma EBITDA of $51.7 million and Adjusted Pro Forma EBITDA of $62.0 million. For the nine months ended September 30, 2025, the Company had Pro Forma Net Income of $24.3 million, Pro Forma EBITDA of $58.1 million and Adjusted Pro Forma EBITDA of $60.4 million. We define Pro Forma EBITDA as Pro Forma Net Income for the period adjusted for interest expense, net income tax expense, depreciation and amortization expense. Pro Forma Adjusted EBITDA further adjusts Pro Forma EBITDA for certain expenses associated with the transaction and certain non-recurring expenses of Red Clay, including: (i) excluding the non-cash expense related to the issuance of equity unit interests in Cardinal related to the Red Clay Acquisition, (ii) the elimination of non-recurring aviation and travel expenses reflected within General and Administrative costs and Cost of Revenue, (iii) the elimination of non-recurring compensation costs reflected within General and Administrative costs offset against (iv) additional incremental rent expense for Red Clay expected to be recognized within General and Administrative costs. We define EBITDA Margin as EBITDA as a percentage of revenue, and Adjusted EBITDA Margin as Adjusted EBITDA as a percentage of revenue. We believe EBITDA, Adjusted EBITDA, EBITDA Margin and Adjusted EBITDA Margin provide useful information in measuring our operating performance, generating future operating plans and making strategic decisions regarding allocation of capital. Management believes this information presents helpful comparisons of financial performance between periods by excluding the effect of certain non-recurring items. There are limitations to the use of the non-GAAP financial measures presented below. For example, EBITDA, Adjusted EBITDA, EBITDA Margin and Adjusted EBITDA Margin do not have standardized meanings prescribed by GAAP and therefore it may not be comparable to similarly titled measures presented by other companies, and it should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP.

The following table provides a reconciliation of net income and net income margin, the most closely comparable GAAP financial measure, to EBITDA, Adjusted EBITDA, EBITDA Margin and Adjusted EBITDA Margin for the periods presented:

	Pro Forma Consolidated		Cardinal Historical	
	Nine months ended September 30, 2025	Years ended December 31, 2024	Nine months ended September 30, 2025	Years ended December 31, 2024
Net income	$ 24,306,826	$ 17,806,147	$ 26,200,546	$ 28,297,234
Interest expense, net	4,940,342	6,608,809	3,871,909	4,828,058
Income tax expense	2,368,772	1,352,509	1,691,154	1,352,509
Depreciation and amortization expense	26,446,914	25,925,701	23,316,390	18,663,746
EBITDA	$ 58,062,853	$ 51,693,166	$ 55,079,999	$ 53,141,547
Transaction fees and acquisition-related costs(1)	393,247	454,761	393,247	454,761
Legal matters(2)	-	620,221	-	620,221
Transition and consulting arrangements(3)	150,000	390,000	150,000	390,000
Customer claims(4)	-	525,000	-	525,000
Loss on extinguishment and refinancing costs(5)	-	1,389,901	-	1,389,901
Stock Based Compensation(6)	-	5,765,487	-	-
Non recurring aviation and travel costs(7)	1,468,839	943,845	-	-
Non recurring compensation expenses(8)	529,750	647,000	-	-
Incremental rent(9)	(240,000)	(454,130)		
Other(10)	47,958	16,690	47,958	16,690
Adjusted EBITDA	$ 60,412,647	$ 61,991,941	$ 55,671,203	$ 56,538,120
Net Income Margin(11)	7.0%	4.9%	8.4%	9.0%
EBITDA Margin(11)	16.7%	14.4%	17.8%	16.9%
Adjusted EBITDA Margin(11)	17.4%	17.2%	17.9%	17.9%

(1) Represents transaction fees and acquisition-related costs incurred in connection with acquisitions and planned acquisitions.
(2) Represents costs associated with legal matters in which the Company is a defendant.
(3) Represents certain consulting and recruiting costs related to acquisitions and public company readiness.
(4) Represents revenue impact from customer claims.
(5) Represents financing and extinguishment-related expenses.
(6) Represents non-cash Stock compensation expense recognized within General and Administrative costs within the Red Clay and Consolidated Pro Forma results, attached as Exhibit 99.3 to this Form 8-K and incorporated herein by reference.
(7) Represents non-recurring aviation and travel expenses related within General and Administrative and Cost of Revenue within the Red Clay and Consolidated Pro Forma results, attached as Exhibit 99.3 to this Form 8-K and incorporated herein by reference.
(8) Represents non-recurring compensation costs within General and Administrative costs within the Red Clay and Consolidated Pro Forma results, attached as Exhibit 99.3 to this Form 8-K and incorporated herein by reference.
(9) Represents incremental rent expense for Red Clay expected to be recognized within General and Administrative costs.
(10) Represents certain other gains and charges that we do not believe reflect our underlying business performance.
(11) Calculated as a percentage of revenue.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired.

Red Clay's audited consolidated financial statements as of and for the year ended December 31, 2024 and unaudited condensed consolidated financial statements as of and for the nine months ended September 30, 2025 are attached as Exhibits 99.1 and 99.2, respectively, to this Form 8-K and incorporated herein by reference. Such financial statements of Red Clay were prepared in accordance with U.S. generally accepted accounting principles as issued by the Financial Accounting Standards Board.

(b) Pro Forma Financial Information.

The unaudited pro forma condensed consolidated financial information as of September 30, 2025 and for the nine months ended September 30, 2025, and for the year ended December 31, 2024, related to the Company's acquisition of Red Clay are attached as Exhibit 99.3 to this Form 8-K and incorporated herein by reference.

(d) Exhibits.

Exhibit Number	Description
2.1*	Asset Purchase Agreement, dated October 1, 2025, by and among Aviator Paving Company Charlotte, LLC, a North Carolina limited liability company and James C. Smith, a resident of Charlotte, North Carolina and Red Clay Industries, Inc., a North Carolina corporation (incorporated by reference to Exhibit 2.1 to the Registration Statement on Form S-1 (File No. 333-290850) filed on October 14, 2025).
23.1	Consent of Thomas Judy & Tucker P.A.
99.1	Audited consolidated financial statements of Red Clay Industries, Inc. as of and for the year ended December 31, 2024.
99.2	Unaudited condensed consolidated financial statements of Red Clay Industries, Inc. as of September 30, 2025 and for the nine months ended September 30, 2025 and the notes related thereto.
99.3	Unaudited pro forma condensed consolidated financial information of the Company as of September 30, 2025 and for the nine months ended September 30, 2025 and for the year ended December 31, 2024.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Schedules have been omitted pursuant to Item 601(b)(5) of Regulation S-K. The Registrant undertakes to furnish supplemental copies of any of the omitted schedules upon request by the SEC.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CARDINAL INFRASTRUCTURE GROUP INC.

By:	/s/ Mike Rowe
Name:	Mike Rowe
Title:	Chief Financial Officer

Date: December 15, 2025

Exhibit 23.1

CONSENT OF INDEPENDENT ACCOUNTING FIRM

We hereby consent to the inclusion of our report dated November 21, 2025, relating to the financial statements of Red Clay Industries, Inc. as of and for the year ended December 31, 2024, in the Current Report on Form 8-K of Civil Infrastructure Group, Inc.

Our firm is not registered with the Public Company Accounting Oversight Board and is not subject to its standards. This consent is provided solely for purposes of inclusion in this filing and does not constitute an admission that we are within the category of persons whose consent is required under Section 7 of the Securities Act of 1933.

/s/ Thomas, Judy & Tucker, P.A.
Raleigh, North Carolina
December 11, 2025

Exhibit 99.1

RED CLAY INDUSTRIES, INC.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

RED CLAY INDUSTRIES, INC.
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

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INDEPENDENT AUDITORS' REPORT

To the Shareholders
Red Clay Industries, Inc.
Pineville, North Carolina

Opinion

We have audited the accompanying financial statements of Red Clay Industries, Inc. (the "Company"), which comprise the balance sheet as of December 31, 2024, and the related statement of income, shareholders' equity and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Red Clay Industries, Inc. as of December 31, 2024, and the results of its operations 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Red Clay Industries, Inc. 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 generally accepted 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

- Identify and assess the risks of material misstatement of the 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 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 the Company'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 financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company'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.

/s/ Thomas, Judy & Tucker, P.A.
Raleigh, North Carolina
November 21, 2025

RED CLAY INDUSTRIES, INC.
BALANCE SHEET
YEAR ENDED DECEMBER 31, 2024

		2024
ASSETS		
Current assets:		
Cash	$	3,963,882
Accounts receivable		5,572,401
Contract assets		1,276,181
Prepaid expenses		14,438
Total current assets		10,826,902
Property and equipment:		
Machinery and equipment		13,057,238
Furniture and fixtures		26,073
Vehicles		5,022,664
Buildings		292,469
Less: accumulated depreciation		(8,836,082)
Property and equipment, Net		9,562,362
Total assets	$	20,389,264
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$	2,470,198
Accrued expenses and other current liabilities		288,373
Contract liabilities		680,557
Current portion of notes payable		1,526,087
Total current liabilities		4,965,215
Long-term liabilities:		
Notes payable, less current portion		2,094,653
Total liabilities		7,059,868
Shareholders' Equity:		
Common stock, no par value, 100,000 shares authorized, 1,000 shares issued and outstanding (Class A 10 shares, Class B 990 shares)		1,500
Additional paid-in-capital		25,000
Due from shareholder		(27,395)
Retained earnings		13,330,291
Total shareholders' equity		13,329,396
Total liabilities and shareholders' equity	$	20,389,264

See accompanying notes

RED CLAY INDUSTRIES, INC.
STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 2024

	2024
Revenue	$ 44,897,586
Cost of revenue, excluding depreciation	36,594,420
General and administrative	1,027,996
Administrative wages and benefits	2,468,432
Depreciation expense	1,528,621
Income from operations	3,278,117
Other income (expense):	
Interest income	2,602
Interest expense	(116,077)
Gain on disposal of property and equipment	148,869
Total other income (expense)	35,394
Net income before taxes	3,313,511
Income tax expense	(182,643)
Net income	$ 3,130,868

See accompanying notes

RED CLAY INDUSTRIES, INC.
STATEMENT OF SHAREHOLDERS' EQUITY
YEAR ENDED DECEMBER 31, 2024

	Common Stock	Additional Paid-In Capital	Due from Shareholder	Retained Earnings	Total
Balance, January 1, 2024	$ 1,500	$ 25,000	$ (27,395)	$ 10,861,823	$ 10,860,928
Net income	-	-	-	3,130,868	3,130,868
Shareholder distributions	-	-	-	(662,400)	(662,400)
Balance, December 31, 2024	$ 1,500	$ 25,000	$ (27,395)	$ 13,330,291	$ 13,329,396

See accompanying notes

RED CLAY INDUSTRIES, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024

	2024
Cash flows from operating activities:	
Net income	$ 3,130,868
Adjustments to reconcile net income to net cash flows from operating activities:	
Depreciation	1,528,621
Gain on disposal of property and equipment	(148,869)
Changes in operating assets and liabilities:	
Accounts receivable	793,055
Contract assets	161,322
Prepaid expenses	(13,388)
Accounts payable and accrued expenses	(519,752)
Contract liabilities	(624,086)
Net cash flows from operating activities	4,307,771
Cash flows from investing activities:	
Purchase of property and equipment	(3,211,385)
Proceeds from the sale of property and equipment	271,013
Net cash flows from investing activities	(2,940,372)
Cash flows from financing activities:	
Shareholder distributions paid	(662,400)
Proceeds from notes payable	1,686,435
Payments on notes payable	(1,718,128)
Net cash flows from financing activities	(694,093)
Net change in cash and cash equivalents	673,306
Cash and cash equivalents, beginning of year	3,290,576
Cash and cash equivalents, end of year	$ 3,963,882
Supplemental disclosures of cash flow information	
Interest paid	$ 116,077
Income taxes paid	$ 182,643

See accompanying notes

1. ORGANIZATION, OWNERSHIP, AND BASIS OF PRESENTATION:

Organization and Nature of Business – Red Clay Industries, Inc. (the "Company" or "Red Clay") is a North Carolina corporation organized in 1996 to provide asphalt paving, curbing, resurfacing, and related services to commercial and municipal customers. Ownership of the Company is held by two equity holders under common control.

Acquisition by Aviator Paving Company Charlotte, LLC – On October 1, 2025, Aviator Paving Company Charlotte, LLC (the "Buyer") acquired substantially all of the operating assets and assumed certain specified liabilities of the Company pursuant to an Asset Purchase Agreement ("APA"). The acquired assets included equipment, vehicles, accounts receivable, prepaid expenses, leasehold rights, and certain customer contracts identified as "Assumed Contracts." The Buyer also assumed certain trade payables and obligations arising under the Assumed Contracts after the closing date.

The APA specifically excluded cash and cash equivalents, contracts not designated as Assumed Contracts, borrowings, and other items listed in the schedules to the APA. Liabilities of the Company not expressly assumed by the Buyer remained with the seller.

Basis of Presentation – The accompanying carve-out financial statements present the historical financial position and results of operations of the Company as acquired under the APA. All revenues, expenses, cash activity, and substantially all assets and liabilities of the acquired business were recorded directly in the Company's books and records. The Company also recorded charges for facilities and aircraft owned by related entities under common ownership. Accordingly, the carve-out financial statements reflect the full cost structure of the acquired business, and no additional allocations of shared costs or overhead were necessary.

Because the Company is a single legal entity, no intercompany balances or eliminations are required in these carve-out financial statements. Related-party transactions with entities under common ownership, including lease payments for real estate and charges associated with the aircraft, are reflected in the results of operations and disclosed separately in the related-party footnote.

The carve-out financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and are intended to present the historical financial position and results of operations of the business acquired under the APA.

Exclusions of Other Entities – Historically, the Company consolidated certain affiliated entities, including a wholly owned subsidiary and variable interest entities ("VIEs"). For purposes of these carve-out financial statements, the VIEs are excluded entirely, as they were not acquired under the APA and are not relevant to the ongoing operations of the acquired business.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Use of Estimates – The Company's financial statements are prepared in accordance with US GAAP, which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounting for customer construction contracts requires the use of various estimation techniques to determine total contract revenue and costs. The Company's cost-to-cost method for recognizing revenue includes estimates and assumptions about future events, including labor productivity and availability, material costs and availability, and the complexity of work to be performed. Changes in estimates of contract revenue, costs, or extent of completion are accounted for in the period the changes become known. Such changes are considered normal recurring adjustments inherent in the cost-to-cost revenue recognition method. The effect of changes in estimates for contracts in progress at December 31, 2024 was not material.

Revenue Recognition – The Company recognizes revenue in accordance with Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers*, using the following five-step model:

1 - Identify the Contract with a Customer: The Company enters into legally enforceable contracts with commercial and municipal customers to provide paving, resurfacing, and related site development services. Contracts are a balanced mix of firm fixed-price and unit-price arrangements, with occasional "not-to-exceed" provisions. All customer contracts include clearly defined scope of work, payment terms, and enforceable rights and obligations. The Company bills monthly for progress performed, with payments due within 30 days. Certain contracts include retainage provisions, generally 10% of billings, which are withheld until project completion and acceptance by the customer and/or governmental authorities.

2 - Identify the Performance Obligations: Each customer contract generally contains a single performance obligation to provide comprehensive paving, resurfacing, and related site preparation services. Although the contracts may include multiple activities such as grading, curbing, paving, sealing, and striping, these activities are highly integrated and interdependent and are not separately identifiable within the context of the contract. The Company acts as a significant integrator of these services, delivering a combined output that represents a single promise to the customer. Accordingly, the Company has concluded that the entire scope of work under each contract represents one performance obligation.

3 - Determine the Transaction Price: The transaction price for the Company's customer contracts is generally a stated cash amount for fixed-price contracts or a per-unit rate applied to actual quantities completed for unit-price contracts. Because quantities delivered under unit-price arrangements are known and invoiced each month, there is minimal estimation or variable consideration constraint. However, contracts may include variable consideration arising from customer-initiated or company-initiated change orders. The Company estimates variable consideration from change orders using the "most likely amount" method and includes such amounts in the transaction price only to the extent that it is probable that a significant reversal of cumulative revenue recognized will not occur.

4 - Allocate the Transaction Price to the Performance Obligations: As each contract typically contains a single performance obligation, the entire transaction price, including approved change orders, is allocated to that performance obligation.

5 - Recognize Revenue When (or As) the Performance Obligation Is Satisfied: Revenue is recognized over time as the Company satisfies its performance obligations, using the cost-to-cost input method. This method reflects the transfer of control to the customer and is considered the best available measure of progress. Contract costs include all direct materials, labor, and other costs directly attributable to contract performance, as well as indirect costs such as indirect salaries and wages, equipment repairs, insurance, and payroll taxes. General and administrative expenses are charged to expense as incurred. For the year ended December 31, 2024, all the Company's revenue was recognized "over time" and all remaining performance obligations are expected to be complete within the next twelve months.

Qualitative Factors Affecting Revenue and Cash Flows – The nature, amount, timing, and uncertainty of the Company's revenue and related cash flows are influenced by several economic and contract-specific factors:

- Type of Customer: The Company serves a mix of private developers, commercial property managers, and public municipalities. Municipal contracts generally provide stable payment terms and lower credit risk, while private developer contracts may be subject to greater variability in timing of approvals and collections.

- Type of Contract: The Company enters into both fixed-price and unit-price arrangements. Fixed-price contracts provide predictable revenue amounts but expose the Company to variability in margins if actual costs differ from estimates. Unit-price contracts reduce estimation risk because revenue is based on actual quantities completed and invoiced, but cash flows may fluctuate with project activity levels.

- Geographical Concentration: All projects are performed in North Carolina. This concentration exposes the Company to regional economic conditions, including local construction demand, municipal budget cycles, and weather patterns that can affect project timing and cash collections.

- Billing and Payment Terms: Contracts typically provide for monthly progress billings with payment due within 30 days. Certain contracts include retainage provisions, generally 10% of billings, which are collected upon project completion and acceptance by the customer and/or governmental authorities. These retainage terms may delay cash inflows relative to revenue recognition.

Management believes these factors, taken together, result in revenue that is recognized consistently over time using the cost-to-cost input method, but cash flows may vary period to period based on project mix, customer type, and timing of retainage collections.

Principal Versus Agent Considerations – In certain contracts, the Company engages subcontractors to perform portions of the contracted work. The Company evaluates whether it is acting as a principal or an agent, resulting in the presentation of revenue as gross or net, respectively. The Company has concluded that it acts as a principal in these arrangements and therefore recognizes revenue on a gross basis. This conclusion is based on the Company's assessment that it controls the specified services before they are transferred to the customer. Key indicators supporting this conclusion include:

- Integration of Services: The Company provides a significant service of integrating subcontractor work into a comprehensive site preparation solution, which is the specified performance obligation under the contract.

- Primary Responsibility for Fulfillment: The Company is contractually responsible for delivering the completed project to the customer and oversees all subcontractor activities to ensure compliance with project specifications.

- Inventory Risk: The Company bears inventory risk for materials consumed in the project and assumes backend inventory risk by being obligated to pay subcontractors regardless of its ability to collect from customers.

- Pricing Discretion: The Company has discretion in establishing the price charged to customers for subcontractor work without restrictions, further supporting the Company's control over the services provided by subcontractors.

Accordingly, the Company recognizes revenue for the full amount of consideration received from customers and records subcontractor costs as part of Cost of revenues on the statement of income.

Contract Modifications and Change Orders – Change orders are considered modifications to existing contracts unless they add distinct goods or services. Change orders may be initiated by either the customer or the Company. Revenue and related costs incurred to measure performance obligation progress from unapproved change orders are not recognized until such amounts are approved or are reasonably assured of customer acceptance and collection is probable.

Loss Provisions – The Company evaluates its contracts on a monthly basis to identify potential losses. This evaluation considers job performance, site conditions, estimated profitability, and the status of associated claims and change orders. When total estimated costs are expected to exceed total estimated contract revenues, the Company records a provision for the full amount of the estimated loss in the period such loss is determined. For the year ended December 31, 2024, management concluded that no material loss provisions were required, and accordingly, no amounts have been recorded.

Contract Duration and Warranties – The Company's sale contracts are complete in less than one year from the contract date. The Company provides one-year warranties on its paving and resurfacing services with certain customers. These warranties are considered assurance-type warranties and do not represent separate performance obligations.

Contract Receivables, Assets and Liabilities – Contract receivables are based on amounts billed to customers and currently due in accordance with contract terms with an unconditional right for the Company to receive payment. Such amounts comprise the balance of Accounts receivable caption on the balance sheet with a balance of $5,572,401 as of December 31, 2024.

The Company's contract assets include (1) revenues recognized in excess of amounts billed on these contracts and will be billed at a later date, usually due to contract terms, and (2) conditional retainage amounts for the portion of the contract price earned by the Company for work performed but held for payment by the customer as a form of security. Contract liabilities include (1) billings in excess of revenues recognized on customer contracts, and (2) provision for contract losses, when applicable.

The Company presents contract assets and contract liabilities, net at the individual contract level in the balance sheet. The Company does not offset contract assets and liabilities across multiple contracts with the same customer. Contract assets are reclassified to accounts receivable, net when the right to payment becomes unconditional. Many contracts contain retainage provisions, whereby a portion of billed amounts is withheld by the customer pending satisfactory completion of the project. Retainage amounts are considered contract assets and such amounts are included in the net presentation of contract assets and liabilities at the contract level.

Conditional retainage is recorded as a current asset or liability as part of Contract assets or Contract liabilities. The Company considers conditional retainage that is withheld on progress billings as a conditional right to payment until contractual milestones are reached. Such contractual milestones typically require substantial completion of the project before retainage is paid, with some customer contracts permitting partial retainage payments at earlier project milestones. Accordingly, withheld retainage is considered a component of contracts assets until billed to the customer, when obligations have been satisfied and the right to receipt is subject only to the passage of time. Conditional retainage that has been billed, but is not due until completion of performance and acceptance by customers, is generally expected to be collected within one year. Conditional retainage rates are typically 10% of the monthly billings in the Company's contracts, consistent with industry practice, but can range from 5% to 10%.

The Company has assessed these payment terms and concluded that they do not represent a significant financing component under ASC 606, as the timing of payment is established primarily for customer protection and is consistent with industry practice. The Company has elected the practical expedient under ASC 606-10-32-18, which allows entities to exclude the effects of a significant financing component when the period between customer payment and performance is less than one year. Accordingly, the Company does not adjust the promised amount of consideration for the time value of money in such cases.

Contract Costs – The Company incurs costs to obtain and fulfill construction contracts in the normal course of business. In accordance with ASC 340-40, the Company has elected the practical expedient to expense incremental costs of obtaining a contract (such as bid, proposal costs) when the amortization period of the asset that would otherwise be recognized is one year or less. These costs are expensed as incurred and included in project costs included under Cost of revenues on the statement of income.

The Company has also evaluated its contract fulfillment activities and determined that no fulfillment costs meet the criteria for capitalization under ASC 340-40, *Other Assets and Deferred Costs*. Fulfillment costs are captured within the overall project cost structure and do not generate or enhance resources that will be used to satisfy future performance obligations beyond those already recognized.

Revenue Recognition Practical Expedients Elected – The Company has elected to apply the disclosure relief practical expedients available to nonpublic entities under ASC 606. Accordingly, the Company has not provided certain disclosures otherwise required for public entities, including:

- Disaggregation of revenue beyond disclosure of revenue recognized over time versus at a point in time.

- Detailed information about contract balances and significant changes in those balances.

- Quantitative disclosure of the aggregate transaction price allocated to remaining performance obligations and when the Company expects to recognize that amount as revenue.

- Additional disclosures regarding significant judgments and estimates used in applying ASC 606.

- Information about costs to obtain or fulfill a contract.

- Management believes disclosures presented are appropriate for a nonpublic entity and provide sufficient information to understand the nature, amount, timing, and uncertainty of revenue and related cash flows.

Cash and Cash Equivalents – For purposes of reporting the statements of cash flows, the Company considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Concentration of Custodial Risk – For cash and cash equivalents, custodial risk is the risk that, in the event of the failure of the counterparty, the Company will not be able to recover the value of its cash and cash equivalents that are in the possession of it banking institutions. The Company maintains its cash and cash equivalents at banking institutions that are members of the Federal Deposit Insurance Corporation ("FDIC"). FDIC guidelines guarantee $250,000 per depositor, per insured bank. Periodically, the Company may have cash balances in excess of FDIC insured limits. The Company has not incurred any losses related to custodial risk. At December 31, 2024, the Company's cash balance in excess of the FDIC's insured limits was its reported cash balance, less $250,000 as the funds were held at a single bank.

Concentration of Credit Risk – The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of accounts receivable. The Company grants credit, net 30-day terms, to its customers in the normal course of business. At December 31, 2024, Customer A accounted for 31% of Accounts receivable and Customer B accounted for 13% of Accounts receivable. The Company is also subject to concentration of credit risk because substantially all of its customer projects are geographically concentrated in North Carolina.

From time to time, the Company may have projects that exceed the 10% revenue threshold for defining a major customer. Since each project is awarded independently from other projects, management does not believe that the completion of the contractual arrangements with any major customer that may arise will have a material adverse effect on the Company.

Accounts Receivable and Allowance for Credit Losses – Accounts receivable represent unconditional rights to payment from customers and are recorded when the Company has an enforceable right to invoice. They are presented separately from contract assets, which represent amounts that are conditional on future performance obligations and are not yet billable. Accounts receivable are stated at the invoiced amount less an allowance for credit losses.

Collectability is evaluated using a combination of factors, including past due status based on contractual terms, trends in write-offs, and the age of the receivable. Specific events, such as bankruptcies, are also considered when applicable. Adjustments to the reserve for credit losses are made when necessary based on the results of analysis, the aging of receivables, and historical and industry trends. The Company periodically evaluates the impact of observable external factors on the collectability of accounts receivable to determine if adjustments to the reserve for credit losses should be made based on current conditions or reasonable and supportable forecasts. Accounts receivable are written off in the period in which the receivable is deemed uncollectible.

Credit-related reserves are not material and the Company's allowance for estimated expected credit losses was zero at December 31, 2024. Although no allowance is reflected on the balance sheet, the Company recognized bad debt expense of $8,628 for the year ended December 31, 2024 within General and administrative expenses on the statement of income.

Prepaid Expenses – The Company had prepaid amounts of fuel commonly used on jobs.

Property and Equipment – Property and equipment are carried at cost. Depreciation is provided for by charges to operations using the straight-line method over the estimated useful lives of the assets. Depreciation expense was $1,528,621for the year ended December 31, 2024 and is included in the Depreciation expense caption on the statement of income. Major renewals and improvements are charged to the property accounts while replacements, maintenance and repairs, which do not improve or extend the life of the assets, are expensed as incurred. When the assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and resulting gains and losses are included in income. The estimated useful lives are as follows:

Furniture and fixtures	3-5 years
Equipment	5-10 years
Vehicles	5-10 years

Leases – The Company determines at contract inception whether an arrangement is or contains a lease in accordance with ASC 842, *Leases*. The Company has elected the short-term lease practical expedient for all classes of underlying assets, whereby lease arrangements with an initial term of 12 months or less are not recognized on the balance sheet. Lease expense for such arrangements is recognized on a straight-line basis over the lease term within General and administrative expenses on the statement of income.

During the year ended December 31, 2024, the Company did not have any lease agreements that required recognition of right-of-use assets or lease liabilities under ASC 842. All arrangements were either (i) service agreements not within the scope of ASC 842, or (ii) real estate and equipment leases with month-to-month or other short-term commitments of one year or less.

Advertising – Advertising costs are expensed as incurred. Advertising costs totaled $15,493 for the year ended December 31, 2024.

Income Taxes – The Company is organized as an S-Corporation for both federal and state income tax purposes. Under these provisions, these Company does not pay federal and state corporate income taxes on its income. As an S-Corporation, the Company's taxable income or loss is allocated to shareholders in accordance with their perspective percentage ownership. Therefore, no federal provision or liability for income taxes has been included in the financial statements.

In 2024, the Company elected to pay the North Carolina Pass Through Entity Tax ("PTET") on behalf of its shareholders. The tax is assessed on the Company's taxable income and is applied to reduce each shareholders' proportionate share of the federal taxable income reportable on that shareholder's personal income tax return. Since the PTET satisfied the Company's liability for income tax expense imposed by the North Carolina Department of Revenue on the Company, the amounts have been included in Income tax expense on the statement of income. No income tax provision has been made for current or deferred income taxes the PTET election is made on an annual basis.

The Company has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2024.

The Company has open tax years for its reporting periods ended December 31, 2022 through December 31, 2024. These tax years remain subject to examination by US federal and North Carolina taxing authorities for generally three years from the later of the statutory due date or the date the return is filed.

Fair Value Measurements – The Company determines fair value based upon 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, as determined by either the principal market or the most advantageous market in which it transacts. The Company applies fair value accounting for all the financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. The Company applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1 – Observable inputs such as unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

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; and

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. These inputs are based on the Company's own assumptions about current market conditions and require significant management judgment or estimation.

As of December 31, 2024, the carrying value of cash and cash equivalents, accounts receivable, contract assets, accounts payable, accrued liabilities, and other current assets and liabilities approximates fair value due to the short maturities of these instruments. Management believes the carrying value of the Company's borrowings approximates fair value, as the stated interest rates are consistent with rates currently available to the Company for borrowings with similar terms and maturities. The Company has not obtained a separate fair value measurement of its borrowings but does not believe the fair value would differ materially from carrying value. Certain nonfinancial assets, including property and equipment, are subject to measurement at fair value on a nonrecurring basis if they are deemed to be impaired as a result of an impairment review.

Recently Issued Accounting Standards Not Yet Adopted – The Company evaluates new accounting pronouncements issued by the Financial Accounting Standards Board ("FASB") to determine their applicability and potential impact on the Company's financial statements. Based on this review, management concluded that, except as described below, recently issued guidance is not expected to have an effect on the Company's financial position, results of operations, or cash flows.

In July 2025, the FASB issued ASU 2025-05 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which provides a practical expedient for measuring expected credit losses on certain short-term receivables and contract assets when credit losses are expected to be insignificant. The amendments are intended to simplify application of Topic 326 for entities with immaterial credit risk exposure on these balances. ASU 2025-05 is effective for fiscal years, including interim periods, beginning after December 15, 2025. Early adoption is permitted. The Company is currently evaluating the impact of adopting ASU 2025-05 on its financial statements.

3. CONTRACT ASSETS AND LIABILITIES:

Contract assets and liabilities consisted of the following amounts at December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Contract assets:		
Revenue in excess of billings	$ 399,864	$ 939,810
Conditional retainage	876,317	497,694
Total contract assets	$ 1,276,181	$ 1,437,504
Contract liabilities:		
Billings in excess of revenue	$ 875,896	$ 1,400,929
Less: Conditional retainage	(195,339)	(222,291)
Total contract liabilities	$ 680,557	$ 1,178,638
Net contract assets	$ 595,624	$ 258,866

Conditional retainage is a type of contract asset, but is reported in the table above and on the balance sheet within “Contract assets” and “Contract liabilities” on a contract-by-contract basis. The Company’s total conditional retainage receivable balance was $1,071,656 at December 31, 2024 and $719,985 at December 31, 2023.

The table below sets forth costs incurred, estimated earnings and billings on uncompleted contracts through December 31, 2024:

Costs incurred on uncompleted projects	$ 19,480,276
Estimated earnings	7,477,612
	26,957,888
Less billings to date	26,362,264
	$ 595,624

4. NOTES PAYABLE:

At December 31, 2024, notes payable consist of equipment loans and a delayed draw term loan. Under each loan, the Company pledges the related equipment as collateral.

Equipment loans have interest rates ranging from 3.50% to 6.75% with amortizing monthly payments required ranging from one to four years.

Delayed draw term loan – On March 13, 2024, the Company entered into a $2,000,000 loan agreement with a bank. Although structured as a line of credit, the facility permitted draws only during the first 12 months and does not revolve. The loan bears interest at 6.25% per annum and requires interest-only payments through March 2025, followed by 59 monthly principal and interest installments of $38,989 and a final payment due March 5, 2030 at maturity. The loan is secured by newly acquired commercial vehicles and heavy equipment. On March 3, 2025, the Company amended the agreement to extend the draw period from March 5, 2025 to March 5, 2026.

The Company's total notes payable are on the balance sheet as follows at December 31, 2024:

Notes payable	$	3,620,740
Less: current portion		1,526,087
Notes payable, less current portion	$	2,094,653

Annual principal maturities on notes payable outstanding at December 31, 2024 are as follows:

Year Ending		**Amount**
2025	$	1,526,087
2026		1,237,274
2027		824,900
2028		32,479
	$	3,620,740

5. LINE OF CREDIT

The Company has a line of credit that provides for borrowings up to $1,000,000 bearing interest at the Wall Street Journal Prime Rate + 0.50% (9.00% at December 31, 2024). The line is guaranteed by the shareholder and subject to annual renewals expiring in June 2024. Interest is due monthly on any outstanding borrowings. There were no borrowings at December 31, 2024. On March 14, 2024, the Company amended the agreement to extend the maturity date to March 14, 2026.

6. SHAREHOLDERS' EQUITY

The Company is authorized to issue two classes of common stock: Class A Voting Common Stock and Class B Non-Voting Common Stock. The Class A and Class B shares are identical in all economic respects, including rights to dividends and liquidation proceeds, and differ only with respect to voting rights. Accordingly, the Company is treated as having a single class of stock for its election to be taxed as an S-corporation under Internal Revenue Code Section 1361.

There were no changes in the number of Class A or Class B shares outstanding during the year ended December 31, 2024.

Certain transactions recorded in the Company's results were not attributable to its operating activities and have been reclassified from expenses to "Shareholder distributions" within the statement of shareholders' equity.

At December 31, 2024, the Company was owed $27,395 from a shareholder. The advance is non-interest bearing, has no stated repayment terms, and is due on demand. As such, the balance is presented as a reduction of shareholders' equity rather than as an asset.

7. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2024, the Company engaged in transactions with the following related parties that are entities under common control of the shareholders of the Company:

10306 Industrial, LLC ("Industrial"): The Company rents its primary office and equipment headquarters from Industrial with expense totaling $25,870 within General and administrative expenses on the statement of income for the year ended December 31, 2024. The Company did not owe money to Industrial as of December 31, 2024. In 2024, the building lease is not governed by a formal written agreement and is cancellable at will by either party. As discussed in Note 8, the lease was formalized subsequent to year-end.

Red Clay Aviation, LLC ("Aviation"): The Company pays Aviation for the use of an aircraft for the shareholders with expense totaling $301,386 within General and administrative expenses on the statement of income for the year ended December 31, 2024. The Company owed $40,000 to Aviation at December 31, 2024 with the amount included within Accounts payable on the balance sheet. The service arrangement is informal, without a fixed term, and costs are incurred on an as-needed basis.

8. SUBSEQUENT EVENTS:

Events and transactions occurring after December 31, 2024 have been evaluated to determine proper recognition and disclosure in the financial statements. Subsequent events and transactions were evaluated through November 21, 2025, which represents the date the financial statements were available to be issued.

As discussed in Note 1, on October 1, 2025, Aviator Paving Company Charlotte, LLC acquired substantially all of the operating assets and assumed certain liabilities of the Company pursuant to an Asset Purchase Agreement. The consideration consisted of cash, subject to customary working capital adjustments, together with services to be provided and paid for under a Transition Services Agreement. This transaction occurred subsequent to the balance sheet date and, accordingly, is not reflected in the accompanying carve-out financial statements.

On October 1, 2025, the Company entered into a real estate lease agreement with Industrial (a related party under common control, see Note 7) for its operating location and office space. The lease has an initial term of two years, with monthly rental payments of $40,000 during the first year and $50,000 during the second year. The Company has the option to renew the lease for up to two additional one-year periods on substantially similar terms.

Exhibit 99.2

RED CLAY INDUSTRIES, INC.

UNAUDITED CONDENSED FINANCIAL STATEMENTS

NINE MONTHS ENDED SEPTEMBER 30, 2025

RED CLAY INDUSTRIES, INC.
UNAUDITED CONDENSED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 2025

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RED CLAY INDUSTRIES, INC.
UNAUDITED CONDENSED BALANCE SHEET

	September 30, 2025
ASSETS	
Current assets:	
Cash	$ 2,090,203
Accounts receivable	7,123,370
Contract assets	1,208,228
Prepaid expenses	10,422
Total current assets	10,432,223
Property and equipment:	
Machinery and equipment	13,217,238
Furniture and fixtures	26,073
Vehicles	5,022,664
Buildings	292,469
Less: accumulated depreciation	(10,042,267)
Property and equipment, Net	8,516,177
Total assets	$ 18,948,400
LIABILITIES AND SHAREHOLDERS' EQUITY	
Current liabilities:	
Accounts payable	$ 689,472
Accrued expenses and other current liabilities	880,617
Contract liabilities	1,107,357
Current portion of notes payable	1,221,632
Total current liabilities	3,899,078
Long-term liabilities:	
Notes payable, less current portion	1,166,697
Total liabilities	5,065,775
Shareholders' Equity:	
Common stock, no par value, 100,000 shares authorized, 1,000 shares issued and outstanding (Class A 10 shares, Class B 990 shares)	1,500
Additional paid-in-capital	25,000
Due from shareholder	(27,395)
Retained earnings	13,883,520
Total shareholders' equity	13,882,625
Total liabilities and shareholders' equity	$ 18,948,400

See accompanying notes

RED CLAY INDUSTRIES, INC.
UNAUDITED CONDENSED STATEMENT OF INCOME

	Nine months ended September 30, 2025
Revenue	$ 37,130,494
Cost of revenue, excluding depreciation	30,128,634
General and administrative	1,450,020
Administrative wages and benefits	2,356,097
Depreciation expense	1,206,185
Income from operations	1,989,558
Other income (expense):	
Interest income	928
Interest expense	(209,535)
Total other income (expense)	(208,607)
Net income before taxes	1,780,951
Income tax expense	(227,722)
Net income	$ 1,553,229

See accompanying notes

RED CLAY INDUSTRIES, INC.
UNAUDITED CONDENSED STATEMENT OF SHAREHOLDERS' EQUITY

	Nine Months Ended September 30, 2025				
	Common Stock	Additional Paid-In Capital	Due from Shareholder	Retained Earnings	Total
Balance, January 1, 2025	$ 1,500	$ 25,000	$ (27,395)	$ 13,330,291	$ 13,329,396
Net income	-	-	-	1,553,229	1,553,229
Shareholder Distributions	-	-	-	(1,000,000)	(1,000,000)
Balance, September 30, 2025	$ 1,500	$ 25,000	$ (27,395)	$ 13,883,520	$ 13,882,625

See accompanying notes

RED CLAY INDUSTRIES, INC.
UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

	Nine months ended September 30, 2025
Cash flows from operating activities:	
Net income	$ 1,553,229
Adjustments to reconcile net income to net cash flows from operating activities:	
Depreciation	1,206,185
Bad debt expense	137,440
Changes in operating assets and liabilities:	
Accounts receivable	(1,688,409)
Contract assets	67,953
Prepaid expenses	4,016
Accounts payable and accrued expenses	(1,025,449)
Contract liabilities	426,800
Net cash flows from operating activities	681,765
Cash flows from investing activities:	
Purchase of property and equipment	(160,000)
Net cash flows from investing activities	(160,000)
Cash flows from financing activities:	
Shareholder distributions paid	(1,000,000)
Payments on notes payable	(1,395,444)
Net cash flows from financing activities	(2,395,444)
Net change in cash and cash equivalents	(1,873,679)
Cash and cash equivalents, beginning of period	3,963,882
Cash and cash equivalents, end of period	$ 2,090,203
Supplemental disclosures of cash flow information:	
Interest paid	$ 209,535
Income taxes paid	$ 227,722

See accompanying notes

1. ORGANIZATION, OWNERSHIP, AND BASIS OF PRESENTATION:

Organization and Nature of Business – Red Clay Industries, Inc. (the "Company" or "Red Clay") is a North Carolina corporation organized in 1996 to provide asphalt paving, curbing, resurfacing, and related services to commercial and municipal customers. Ownership of the Company is held by two equity holders under common control.

Acquisition by Aviator Paving Company Charlotte, LLC – On October 1, 2025, Aviator Paving Company Charlotte, LLC (the "Buyer") acquired substantially all of the operating assets and assumed certain specified liabilities of the Company pursuant to an Asset Purchase Agreement ("APA"). The acquired assets included equipment, vehicles, accounts receivable, prepaid expenses, leasehold rights, and certain customer contracts identified as "Assumed Contracts." The Buyer also assumed certain trade payables and obligations arising under the Assumed Contracts after the closing date.

The APA specifically excluded cash and cash equivalents, contracts not designated as Assumed Contracts, borrowings, and other items listed in the schedules to the APA. Liabilities of the Company not expressly assumed by the Buyer remained with the seller.

Basis of Accounting and Use of Estimates

The accompanying Condensed Financial Statements as of September 30, 2025 and for the nine months ended September 30, 2025 are unaudited and have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information. They have been prepared on the same basis as the audited annual financial statements, and in the opinion of management, include all normal recurring adjustments necessary for a fair presentation of the results for the interim periods presented.

The Condensed Balance Sheet at September 30, 2025 was derived from audited financial statements but does not include all disclosures required by GAAP. These interim financial statements should be read in conjunction with the Company's audited financial statements. The results for the nine months ended September 30, 2025 are not necessarily indicative of results for the full year or any future period. Preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, as well as related disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Basis of Presentation – The accompanying carve-out financial statements present the historical financial position and results of operations of the Company as acquired under the APA. All revenues, expenses, cash activity, and substantially all assets and liabilities of the acquired business were recorded directly in the Company's books and records. The Company also recorded charges for facilities and aircraft owned by related entities under common ownership. Accordingly, the carve-out financial statements reflect the full cost structure of the acquired business, and no additional allocations of shared costs or overhead were necessary.

Because the Company is a single legal entity, no intercompany balances or eliminations are required in these carve-out financial statements. Related-party transactions with entities under common ownership, including lease payments for real estate and charges associated with the aircraft, are reflected in the results of operations and disclosed separately in the related-party footnote.

The carve-out financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and are intended to present the historical financial position and results of operations of the business acquired under the APA.

Exclusions of Other Entities – Historically, the Company consolidated certain affiliated entities, including a wholly owned subsidiary and variable interest entities ("VIEs"). For purposes of these carve-out financial statements, the VIEs are excluded entirely, as they were not acquired under the APA and are not relevant to the ongoing operations of the acquired business.

2. CONTRACT ASSETS AND LIABILITIES:

Contract assets and liabilities consisted of the following amounts:

	September 30, 2025
Contract assets:	
Revenue in excess of billings	$ 454,567
Conditional retainage	753,661
Total contract assets	1,208,228
Contract liabilities:	
Billings in excess of revenue	1,109,978
Less: Conditional retainage	(2,621)
Total contract liabilities	1,107,357
Net contract assets	$ 100,871

Conditional retainage is a type of contract asset but is reported in the table above and on the balance sheet within "Contract assets" and "Contract liabilities" on a contract-by-contract basis. The Company's total conditional retainage receivable balance was $756,282 at September 30, 2025.

The table below sets forth costs incurred, estimated earnings and billings on uncompleted contracts through September 30, 2025:

Costs incurred on uncompleted projects	$ 40,016,765
Estimated earnings	16,122,756
	56,139,521
Less billings to date	56,038,650
	$ 100,871

See accompanying notes

3. NOTES PAYABLE:

The Company's total notes payable are on the condensed balance sheet as follows at September 30, 2025:

Notes payable	$ 2,388,329
Less: current portion	(1,221,632)
Notes payable, less current portion	$ 1,166,697

Annual principal maturities on notes payable outstanding at September 30, 2025 are as follows:

Year Ending	Amount
Remaining 2025	$ 293,676
2026	1,237,274
2027	824,900
2028	32,479
	$ 2,388,329

4. LINE OF CREDIT

There were no borrowings on the Company's line of credit at September 30, 2025.

5. SHAREHOLDERS' EQUITY

There were no changes in the number of Class A or Class B shares outstanding during the nine months ended September 30, 2025.

At September 30, 2025, the Company was owed $ 27,395 from a shareholder. The advance is non-interest bearing, has no stated repayment terms, and is due on demand. As such, the balance is presented as a reduction of shareholders' equity rather than as an asset.

Certain transactions totaling $600,000 were recorded in the Company's results that were not attributable to its operating activities and have been reclassified from expenses to Shareholder distributions within the condensed statement of shareholders' equity.

6. RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2025, the Company engaged in transactions with the following related parties that are entities under common control of the Shareholders of the Company:

10306 Industrial, LLC ("Industrial"): The Company rents its primary office and equipment headquarters from Industrial with expense totaling $210,000 within General and administrative expenses on the condensed statement of income for the nine months ended September 30, 2025. The Company did not owe money to Industrial as of September 30, 2025.

Red Clay Aviation, LLC (“Aviation”): The Company pays Aviation for the use of an aircraft for the Shareholders with expense totaling $645,000 within General and administrative expenses on the condensed statement of income for the nine months ended September 30, 2025. The Company did not owe money to Aviation as of September 30, 2025.

Red Clay Corporation (“RC Corp”): The Company pays RC Corp for short term equipment rentals used on job sites with expense totaling $190,000 within “Cost of revenues, excluding depreciation” on the condensed statement of income for the nine months ended September 30, 2025. The Company did not owe money to RC Corp as of September 30, 2025.

7. SUBSEQUENT EVENTS:

Events and transactions occurring after September 30, 2025 have been evaluated to determine proper recognition and disclosure in the financial statements. Subsequent events and transactions were evaluated through November 21, 2025, which represents the date the financial statements were available to be issued.

As discussed in Note 1, on October 1, 2025, Aviator Paving Company Charlotte, LLC acquired substantially all of the operating assets and assumed certain liabilities of the Company pursuant to an Asset Purchase Agreement. The consideration consisted of cash, subject to customary working capital adjustments, together with services to be provided and paid for under a Transition Services Agreement. This transaction occurred subsequent to the balance sheet date and, accordingly, is not reflected in the accompanying carve-out financial statements.

On October 1, 2025, the Company entered into a real estate lease agreement with Industrial (a related party under common control, see Note 6) for its operating location and office space. The lease has an initial term of two years, with monthly rental payments of $40,000 during the first year and $50,000 during the second year. The Company has the option to renew the lease for up to two additional one-year periods on substantially similar terms.

See accompanying notes

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma condensed consolidated financial statements have been prepared in accordance with Article 11 of Regulation S-X to reflect the impact of the acquisition of substantially all of the assets of Red Clay Industries, Inc. (“Red Clay”) by a wholly owned subsidiary of Cardinal Infrastructure Group Inc. (the “Company”) and also to give effect to the initial public offering (the “Offering”) by the Company of its Class A Common Stock, par value $0.0001 (the “Class A Common Stock”) and Reorganization (as defined below) as described in the final prospectus (the “Prospectus”), dated December 9, 2025, filed by the Company with the Securities and Exchange Commission (the “SEC”) pursuant to Rule 424(b) of the Securities Act of 1933, as amended (the “Securities Act”), which is deemed to be part of the Company’s Registration Statement on Form S-1 (File No. 333-290850) as amended.

As described in the Prospectus, on October 1, 2025, the Company, through its wholly owned subsidiary Aviator Paving Company Charlotte, LLC, acquired substantially all of the assets of Red Clay pursuant to an asset purchase agreement (the “APA”) for total consideration of approximately $40.0 million, consisting of (i) $39.0 million in cash, (ii) $1.0 million of deferred cash consideration paid monthly over six months, and (iii) a customary adjustment based on a net working capital target. Red Clay is a provider of asphalt paving, concrete contracting, concrete reclamation and soil stabilization in North Carolina. In connection with the acquisition of Red Clay, on October 1, 2025, Cardinal Civil Construction, LLC, a North Carolina limited liability company (“Cardinal NC”), Cardinal Civil Contracting Holdings LLC, a Delaware limited liability company (“Cardinal”), and wholly owned subsidiaries of the Company entered into a credit facility (the “New Credit Facility”) with Truist Bank, as administrative agent and lender, and the other lenders thereto from time to time, which refinanced the approximately $6.3 million outstanding under Cardinal NC’s senior secured credit facility dated as of October 18, 2024 with Truist Bank as lender thereto (the “Prior Credit Facility”) and refinanced the approximately $74.8 million outstanding under the master equipment security agreement dated as of October 21, 2024, as amended, with Truist Equipment Finance Corp as lender thereto (the “Equipment Facility”). The Company is not a party to the New Credit Facility. The New Credit Facility, among other things, (i) established a revolving credit facility of $75.0 million in aggregate principal amount, including a $10.0 million letter of credit sub-facility and a $10.0 million swingline sub-facility and (ii) established a term loan facility of $120.0 million in aggregate principal amount. The New Credit Facility has a maturity date of October 1, 2030. The obligations under the New Credit Facility are secured by substantially all of Cardinal NC’s assets and the assets of the subsidiary guarantors. The Company used a portion of the net proceeds from the Offering to repay $24.3 million outstanding under the New Credit Facility (the “Debt Repayment”).

Following the completion of the Reorganization and the Offering, the Company is a holding company whose principal asset consists of 39.0% of the outstanding LLC Units that it acquired directly from Cardinal. Following the completion of the Offering, the Company acts as the sole managing member of Cardinal, operates and controls the business and affairs of Cardinal and, through Cardinal, conducts its business.

The following unaudited pro forma condensed consolidated balance sheet as of September 30, 2025 presents the Company’s unaudited condensed consolidated pro forma balance sheet after giving effect to the Reorganization, including the Offering and Reorganization whereby, among other things, Cardinal acquired Cardinal NC, and the acquisition of Red Clay as if they had occurred on September 30, 2025. The following unaudited pro forma condensed consolidated statement of comprehensive income for the nine months ended September 30, 2025 and the year ended December 31, 2024 give effect to the Reorganization and the Offering, as if they had occurred on January 1, 2024. The Company has derived the unaudited pro forma condensed consolidated balance sheet as of September 30, 2025 and the unaudited pro forma condensed consolidated statement of income for the nine months then ended from the unaudited condensed consolidated financial statements of Cardinal NC, from the unaudited condensed consolidated financial statements of the Company as of September 30, 2025 and from the unaudited condensed consolidated balance sheet of Red Clay as of September 30, 2025 and the unaudited pro forma condensed consolidated statement of income for the nine months then ended.

The Company has derived the unaudited pro forma condensed consolidated statement of comprehensive income for the year ended December 31, 2024 from the audited financial statements of Cardinal NC to reflect the accounting for the transactions described below in accordance with accounting policies generally accepted in the United States ("GAAP"). The unaudited pro forma condensed consolidated financial information reflects adjustments that are described in the accompanying notes and are based on available information and certain assumptions the Company believes are reasonable but are subject to change. The Company was formed on June 12, 2025 and on July 31, 2025 was capitalized at $200, and had insignificant results of operations until the completion of the Offering; therefore, its historical results of operations for the period then ended are not shown in separate columns in the unaudited pro forma condensed consolidated statement of comprehensive income.

As a public company, the Company will be implementing additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies. The Company expects to incur additional annual expenses related to being a public company and, among other things, additional directors' and officers' liability insurance, director fees, costs for reporting requirements of the SEC, transfer agent fees, costs for hiring additional accounting, legal, and administrative personnel, increased auditing and legal expenses, and other related costs. Due to the scope and complexity of these activities, the amount of these costs would be based on subjective estimates and assumptions that could not be factually supported. The Company has not included any pro forma adjustments related to these costs.

The unaudited pro forma condensed consolidated financial information is provided for informational purposes only and is not necessarily indicative of the operating results that would have occurred if the Red Clay acquisition, Offering, and Reorganization and had been completed as of the dates set forth above, nor is it indicative of the Company's future results.

Summary of the Transactions

Red Clay Acquisition

The Company has consummated the acquisition of Red Clay. The pro forma adjustments related to the acquisition of Red Clay are described in the notes to the unaudited pro forma condensed consolidated financial information and primarily include the assumptions that:

- In connection with the Company's acquisition of Red Clay, certain employees of Red Clay received grants of equity unit interests in Cardinal. The issued unit awards vested prior to the IPO. The fair value of these units is estimated to be $21.00 per unit, which is equal to the initial public offering price per share of Class A Common Stock.

- On October 1, 2025, Cardinal NC, Cardinal and the Company's wholly owned subsidiaries entered into the New Credit Facility, which refinanced the approximately $6.3 million outstanding under the Prior Credit Facility and refinanced the approximately $74.8 million outstanding under the Equipment Facility. The Company is a guarantor of the New Credit Facility. The New Credit Facility, among other things, (i) established a revolving credit facility of $75.0 million in aggregate principal amount, including a $10.0 million letter of credit sub-facility and a $10.0 million swingline sub-facility and (ii) established a term loan facility of $120.0 million in aggregate principal amount. The New Credit Facility has a maturity date of October 1, 2030. The obligations under the New Credit Facility are secured by substantially all of Cardinal NC's assets and the assets of the subsidiary guarantors. The Company utilized $39.0 million of this facility to finance the Red Clay acquisition. As described below, the Company utilized a portion of the net proceeds from the Offering to repay $24.3 million outstanding under the New Credit Facility (the "Debt Repayment"). The consummation of the Offering was not subject to any financing condition. Therefore, the unaudited pro forma condensed consolidated financial information herein reflects the net incremental borrowing as related to the Red Clay acquisition.

Reorganization Transactions

The Company has consummated the following organizational transactions (collectively, the “Reorganization”) in connection with the Offering (such Reorganization and Offering, the “Transactions”). The pro forma adjustments related to the Reorganization are described in the notes to the unaudited pro forma condensed consolidated financial information and primarily include the assumptions that:

- the Company merged (i) first, newly formed merger subsidiaries of Cardinal NC with and into each of Cardinal NC’s non-wholly owned subsidiaries so that the minority equity holders of such non-wholly owned subsidiaries became equity holders of Cardinal NC and such non-wholly owned subsidiaries of Cardinal NC became wholly owned subsidiaries of Cardinal NC and (ii) subsequently, a newly formed merger subsidiary of Cardinal with and into Cardinal NC so that the members of Cardinal NC became members of Cardinal and Cardinal NC became a wholly owned subsidiary of Cardinal;

- Cardinal NC and the lenders of CCCRE Holdings, LLC (“CCCRE”) amended their underlying credit agreements to remove the Company’s guarantees for CCCRE’s outstanding notes payable. As a result of these amended agreements, Cardinal NC no longer has the power to direct the activities that most significantly affect CCCRE’s economic performance and is no longer obligated to absorb potential losses of CCCRE. Accordingly, Cardinal NC concluded that it is no longer the primary beneficiary of CCCRE, a variable interest entity (“VIE”), and should deconsolidate CCCRE;

- prior to the consummation of Offering, the Company amended and restated Cardinal’s existing operating agreement to, among other things, (i) recapitalize all existing ownership interests in Cardinal NC into 30,887,813 LLC Units of Cardinal after applying a conversion ratio of approximately 2,429 to one (and before giving effect to the use of the proceeds of the Offering), (ii) appoint the Company as the sole managing member of Cardinal upon its acquisition of LLC Units in connection with the Offering, and (iii) provide certain redemption rights to the members of Cardinal prior to the Offering and Reorganization (the “Continuing Equity Holders”), including the Company’s Chief Executive Officer and Chief Financial Officer and the Chief Operating Officer of Cardinal NC;

- the Company amended and restated its certificate of incorporation to, among other things, (i) reclassify all outstanding shares of Common Stock into 1,718,750 shares of Class A Common Stock, as adjusted for an approximately 86 to one forward stock split, (ii) provide for Class A Common Stock, with each share of the Company’s Class A Common Stock entitling its holder to one vote per share on all matters presented to the Company’s stockholders generally, (iii) provide for Class B Common Stock, with each share of the Company’s Class B Common Stock entitling its holder to one vote per share on all matters presented to the Company’s stockholders generally, (iv) provide that shares of the Company’s Class B Common Stock may only be held by the Continuing Equity Holders and their respective permitted transferees as described in “Description of Capital Stock — Common Stock — Class B Common Stock;” and (v) provide for preferred stock, which can be issued by the Company’s board of directors in one or more series without stockholder approval;

- the Company issued 23,387,813 shares of its Class B Common Stock (after giving effect to the use of the net proceeds of the Offering) to the Continuing Equity Holders, which is equal to the number of LLC Units held by such Continuing Equity Holders, at the time of such issuance of Class B Common Stock, for nominal consideration;

- the Company issued 13,225,000 shares of its Class A Common Stock to the purchasers in the Offering (which includes the exercise in full of the underwriters’ option to purchase additional shares of Class A Common Stock) in exchange for net proceeds of approximately $258.3 million at the initial public offering price of $21.00 per share, less the underwriting discount;

- the Company utilized the net proceeds from the Offering to purchase 14,943,750 newly issued LLC Units from Cardinal for approximately $258.3 million;

- Cardinal used the net proceeds from the issuance of the newly issued LLC Units to the Company, as follows: (i) to redeem LLC Units from certain Continuing Equity Holders for $157.5 million in aggregate, (ii) to repay approximately $24.3 million of borrowings outstanding under the New Credit Facility, (iii) to pay estimated offering expenses of $5.3 million and (iv) the remainder, for general corporate purposes; and

- the Company entered into a registration rights agreement with the Continuing Equity Holders and a tax receivable agreement with Cardinal and the Continuing Equity Holders. For a description of the terms of the Registration Rights Agreement and the Tax Receivable Agreement, see the Prospectus.

Immediately following the consummation of the Transactions (including the Offering and use of the net proceeds from the Offering):

- the Company is a holding company and its principal asset consists of the LLC Units it acquired directly from Cardinal;

- the Company is the sole managing member of Cardinal and controls the business and affairs of Cardinal;

- the Company owns, directly or indirectly, 14,943,750 LLC Units of Cardinal, representing approximately 39.0% of the economic interest in Cardinal;

- the Continuing Equity Holders own (i) 23,387,813 LLC Units of Cardinal, representing approximately 61.0% of the economic interest in Cardinal and (ii) 23,387,813 shares of Class B Common Stock of the Company, representing approximately 61.0% of the combined voting power of all of the Company's common stock;

- the purchasers in the Offering own (i) 13,225,000 shares of Class A Common Stock of the Company, representing approximately 34.5% of the combined voting power of all of the Company's common stock and 88.5% of the economic interest in the Company, and (ii) through the Company's ownership of LLC Units, indirectly hold approximately 34.5% of the economic interest in Cardinal; and

- the Company is a holding company and its principal asset consists of 100% of the outstanding membership interests in Cardinal, and Cardinal is the sole managing member of Cardinal NC and controls the business and affairs of Cardinal NC.

As the sole managing member of Cardinal, the Company operates and controls all of the business and affairs of Cardinal and, through Cardinal, conducts the Company's business. Following the Transactions, including the Offering, the Company controls the management of Cardinal as its sole managing member. As a result, the below pro formas adjustments below reflect the Company consolidating Cardinal and recording a significant noncontrolling interest in a consolidated entity in the Company's consolidated financial statements for the economic interest in Cardinal held by the Continuing Equity Holders.

Expected Accounting Treatment of the Offering and Reorganization Transactions

Following the completion of the Transactions, the Company became the sole managing member of Cardinal. Although the Company has a minority economic interest in Cardinal, the Company has the sole voting interest in, and control of, the business and affairs of Cardinal. As a result, the pro forma adjustments consolidate Cardinal and record a significant noncontrolling interest in equity in the Company's consolidated financial statements for the economic interest in Cardinal held directly or indirectly by the Continuing Equity Holders.

Under GAAP, since the members of Cardinal prior to the exchange continued to hold a controlling interest in Cardinal after the exchange (i.e., there was no change in control of Cardinal) and because the Company was considered a "shell company" which does not meet the definition of a business, the financial statements of the consolidated entity represent a continuation of the financial position and results of operations of Cardinal. Accordingly, the historical cost basis of assets, liabilities, capital, and accumulated earnings of Cardinal are carried over to the consolidated financial statements of the merged company as a common control transaction. Also, after consummation of the Offering, the Company became subject to U.S. federal, state, and local income taxes with respect to its allocable share of any taxable income of Cardinal which will be taxed at the prevailing corporate tax rates.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
As of September 30, 2025

	Cardinal Group	Cardinal Historical	Red Clay Historical	Red Clay and Acquisition Financing Transaction Accounting Adjustments	Notes	Reorganization Adjustments	Notes	Offering Adjustments	Notes	Pro Forma Consolidated
Assets										
Current assets:										
Cash	$ 74,460	$ 18,386,648	$ 2,090,203	$ 39,430,372	4(a)	$ 3,089	6(a)	$ 258,284,250	6(b)	$ 90,030,299
				(39,000,000)	2(a)	(74,260)	6(h)	(5,274,260)	6(c)	
				(2,090,203)	2(b)			(157,500,000)	6(d)	
								(24,300,000)	6(f)	
Accounts receivable, net	—	61,347,731	7,123,370							68,471,101.00
Contract assets	—	40,375,000	1,208,228							41,583,228.00
Prepaid expenses	—	1,447,093	10,422	(1,050)	2(b)	—				1,456,465
Other assets	1,525,740	2,803,156				—		(2,131,996)	6(c)	2,196,900
Total current assets	1,600,200	124,359,628	10,432,223	(1,660,881)		(71,171)		69,077,994		203,737,993
Property and equipment, net	—	71,391,057	8,516,177	606,323	2(b)	—				80,513,557
Operating lease right-of-use assets	—	5,813,977		328,427	2(b)	—				6,142,404
Deferred tax asset	—	—				44,883,386	6(g)			44,883,386
Goodwill	—	10,977,236		12,758,359	2(b)					23,735,595.45
Other intangible assets	—	1,114,785		16,800,000	2(d)					17,914,785.00
Total assets	$ 1,600,200	$ 213,656,683	$ 18,948,400	$ 28,832,228		$ 44,812,215		$ 69,077,994		$ 376,927,720
LIABILITIES AND MEMBERS' EQUITY										
Current liabilities:										
Current portion of notes payable	—	21,251,653	1,221,632	(1,221,632)	4(a)	—		—	6(f)	4,545,601
				(21,206,052)	4(a)					
				4,500,000	4(a)					
Current portion of finance lease liabilities	—	3,379,183								3,379,183
Current portion of operating lease liabilities	—	2,563,366		425,696	2(b)	—				2,989,062
Accounts payable	—	56,813,046	689,472					(606,256)	6(c)	56,896,262
Accrued distributions	—	319,213				12,549,281	6(i)			12,868,494
Accrued expenses	1,500,000	2,404,471	880,617	(880,617)	2(b)			(1,500,000)	6(c)	6,949,471
				4,545,000	2(a)					
Contingent consideration payable	—	845,833		1,000,000	2(a)					1,845,833
Contract liabilities		15,758,127	1,107,357							16,865,484
Related party loans to shareholders	74,260.00					(74,260)	6(h)			—
Total current liabilities	1,574,260	103,334,892	3,899,078	(12,837,605)		12,475,021		(2,106,256)		106,339,390
Notes payable, less current portion, net of unamortized debt issuance costs	—	59,513,048	1,166,697	(1,166,697)	4(a)	—		(24,300,000)	6(f)	91,349,472
				(59,467,271)	4(a)					
				117,600,000	4(a)					
				(1,996,305)	4(a)					
Finance lease liabilities, less current portion	—	5,863,066								5,863,066
Operating lease liabilities, less current portion	—	3,372,914		582,731	2(b)	—				3,955,645
TRA Liability	—	—				38,150,878	6(g)			38,150,878
Total liabilities	1,574,260	172,083,920	5,065,775	42,714,853		50,625,899		(26,406,256)		245,658,451

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
As of September 30, 2025

	Cardinal Group	Cardinal Historical	Red Clay Historical	Red Clay and Acquisition Financing Transaction Accounting Adjustments	Notes	Reorganization Adjustments	Notes	Offering Adjustments	Notes	Pro Forma Consolidated
Members' equity										
Retained earnings	—	41,572,763				(12,549,281)	6(i)	(7,047,314)	6(d)	—
								(21,976,168)	6(e)	
Stockholders' equity										
Class A Common stock, par value $0.0001 per share; no shares authorized, no shares issued and outstanding, actual; 500,000,000 shares authorized, 14,943,750 shares issued and outstanding, pro forma	200							1,323	6(b)	1,523
Class B Common stock, par value $0.0001 per share; no shares authorized, no shares issued and outstanding, actual; 500,000,000 shares authorized, 30,887,813 shares issued and outstanding, pro forma	—					3,089	6(a)	(750)	6(d)	2,339
Preferred stock $0.0001 par value per share, no shares authorized, issued and outstanding, actual; 10,000,000 authorized, no shares issued and outstanding, pro forma	—									—
Red Clay Common Stock			1,500	(1,500)	2(c)					—
Additional paid-in-capital	25,740		25,000	(25,000)	2(c)	6,732,508	6(g)	258,282,928	6(b)	50,299,355
				(1,399,942)	5(a)			(5,300,000)	6(c)	
								(150,451,936)	6(d)	
								(57,589,942)	6(e)	
Due from shareholder			(27,395)	27,395	2(c)					—
Retained earnings			13,883,520	(13,883,520)	2(c)					—
Noncontrolling interests attributable to Cardinal Infrastructure Group Inc.	—			1,399,942	5(a)			79,566,110	6(e)	80,966,052
Total members'/stockholders equity	25,940	41,572,763	13,882,625	(13,882,625)		(5,813,684)		95,484,250		131,269,269
Total liabilities and equity	$ 1,600,200	$ 213,656,683	$ 18,948,400	$ 28,832,228		$ 44,812,215		$ 69,077,994		$ 376,927,720

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Nine Months Ended September 30, 2025

	Cardinal Group	Cardinal Historical	Red Clay Historical	Red Clay and Acquisition Financing Transaction Accounting Adjustments	Notes	Reorganization Adjustments	Notes	Offering Adjustments	Notes	Pro Forma Consolidated
Revenues	$ —	$310,235,696	$37,130,494							$ 347,366,190
Cost of revenues	—	245,301,817	30,128,634							275,430,451
General and administrative	—	10,072,170	1,450,020	2,356,097	3(a)	97,980	6(aa)			13,976,267
Administrative wages and benefits			2,356,097	(2,356,097)	3(a)					—
Depreciation expense	—	17,715,174	1,206,185	373,536	2(e)	(13,483)	6(aa)			19,281,412
Amortization expense	—	5,601,216		1,564,286	2(d)					7,165,502
Loss (gain) on disposal of property and equipment	—	(128,262)								(128,262)
Income from operations	—	31,673,581	1,989,558	(1,937,822)		(84,497)		—		31,640,820
Other income (expense):										
Interest income			928	(928)	3(c)					—
Interest expense, net	—	(3,871,909)	(209,535)	(2,078,775)	4(b)	70,791	6(aa)	1,149,086	6(bb)	(4,940,342)
Other expense, net	—	90,028		—		(115,836)	6(aa)			(25,808)
Total other expense, net	—	(3,781,881)	(208,607)	(2,078,775)		(45,045)		1,149,086		(4,965,222)
Net income before taxes	—	27,891,700	1,780,951	(4,016,597)		(129,542)		1,149,086		26,675,598
Income tax expense	—	(1,691,154)	(227,722)	426,246	5(c)	(774,104)	6(cc)	(102,038)	6(cc)	(2,368,772)
Net income, including noncontrolling interests	$ —	$ 26,200,546	$ 1,553,229	$ (3,590,351)		$ (903,646)		$ 1,047,048		$ 24,306,826
Less: Net income attributable to noncontrolling interests	$ —	6,463,278	$ —	(1,242,940)	5(d)	(6,463,278)	6(dd)	$ 16,073,629	6(ee)	14,830,689
Net income attributable to the Company	$ —	$ 19,737,268	$ 1,553,229	$ (2,347,411)		$ 5,559,632		$ (15,026,581)		$ 9,476,137
Pro forma per share data:										
Pro forma net income per share										
Basic and diluted									(8)	$ 0.63
Pro forma weighted average shares used to compute pro forma net income per share										
Basic and diluted									(8)	14,943,750

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the Year Ended December 31, 2024

	Cardinal Group	Cardinal Historical	Red Clay Historical	Red Clay and Acquisition Financing Transaction Accounting Adjustments	Notes	Reorganization Adjustments	Notes	Offering Adjustments	Notes	Pro Forma Consolidated
Revenues	$ —	$315,187,523	$44,897,586							$ 360,085,109
Cost of revenues	—	249,888,575	36,594,420							286,482,995
General and administrative	—	10,687,302	1,027,996	2,468,432	3(a)	96,670	6(aa)			20,045,887
				5,765,487	5(b)					
Administrative wages and benefits			2,468,432	(2,468,432)	3(a)					—
Depreciation expense	—	18,663,746	1,528,621	1,466,883	2(e)	(19,263)	6(aa)			21,639,987
Amortization expense	—	—	—	4,285,714	2(d)	—				4,285,714
Loss (gain) on disposal of property and equipment	—	13,534		(148,869)	3(b)					(135,335)
Income from operations	—	35,934,366	3,278,117	(11,369,215)		(77,407)		—		27,765,861
Other income (expense):										
Interest income			2,602	(2,602)	3(c)					—
Interest expense, net	—	(4,828,058)	(116,077)	(3,323,353)	4(b)	126,564	6(aa)	1,532,115	4(b), 6(bb)	(6,608,809)
Other expense, net	—	(1,456,565)				(159,079)	6(aa)			(1,615,644)
Gain on disposal of property and equipment			148,869	(148,869)	3(b)					—
Total other expense, net	—	(6,284,623)	35,394	(3,474,824)		(32,515)		1,532,115		(8,224,453)
Net income before taxes	—	29,649,743	3,313,511	(14,844,038)		(109,922)		1,532,115		19,541,409
Income tax expense	—	(1,352,509)	(182,643)	1,206,545	5(c)	(1,270,604)	6(cc)	(136,050)	6(cc)	(1,735,261)
Net income, including noncontrolling interests	$ —	$ 28,297,234	$ 3,130,868	$ (13,637,494)		$ (1,380,526)		$ 1,396,065		$ 17,806,147
Less: Net income attributable to noncontrolling interests	—	6,939,888		(6,410,566)	5(d)	(6,939,888)	6(dd)	17,274,898	6(ee)	10,864,332
Net income attributable to the Company	$ —	$ 21,357,346	$ 3,130,868	$ (7,226,928)		$ 5,559,362		$ (15,878,833)		$ 6,941,815
Pro forma per share data:										
Pro forma net income per share										
Basic and diluted									(8)	$ 0.46
Pro forma weighted average shares used to compute pro forma net income per share										
Basic and diluted									(8)	14,943,750

Note 1 — Basis of Presentation Description of the Business Combination

On October 1, 2025, the Company, through its wholly owned subsidiary Aviator Paving Company Charlotte, LLC, acquired substantially all of the assets of Red Clay pursuant to the APA for a total consideration of approximately $40.0 million consisting of (i) $39.0 million in cash,(ii) the assumption of approximately $1.0 million of liabilities and (iii) an estimated net working capital payment expected to be $4.5 million. Red Clay is a provider of asphalt paving, concrete contracting, concrete reclamation and soil stabilization in North Carolina.

The unaudited pro forma condensed consolidated financial statements reflect adjustments for the acquisition of Red Clay, the Reorganization and the Offering. Following the Transactions, the Company is the sole managing member of Cardinal, with control over its business and affairs, and will consolidate Cardinal in its financial statements, recognizing a significant noncontrolling interest for the Continuing Equity Holders.

Under GAAP, because there is no change in control of Cardinal, and the Company is a shell company, the transaction is accounted for as a common control transaction. Accordingly, Cardinal's historical cost basis for assets, liabilities, and equity is carried forward. Following the offering, the Company will be subject to U.S. federal, state, and local income taxes on its share of Cardinal's taxable income at prevailing corporate rates.

The Red Clay business combination has been accounted for under the acquisition method of accounting in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 805, Business Combinations. As the acquirer for accounting purposes, the Company has preliminarily estimated the fair value of Red Clay's assets acquired and liabilities assumed and conformed the accounting policies of Red Clay to its accounting policies.

The unaudited pro forma condensed consolidated financial statements do not reflect the realization of any expected cost savings or other synergies from the Red Clay acquisition as the result of restructuring activities and other planned cost savings initiatives following the completion of the business combination. These adjustments are excluded because they reflect actions the Company intends to undertake after the business combination.

Note 2: Preliminary Purchase Price and Allocation for the Red Clay Acquisition

The acquisition was accounted for as a business combination under ASC 805, Business Combinations. Accordingly, the assets acquired and liabilities assumed were recorded at their estimated fair values as of the Red Clay acquisition date, which for the purposes of these pro forma financial statements, is assumed to be September 30, 2025 (the "Acquisition Date").

a) The unaudited pro forma condensed consolidated balance sheet as of September 30, 2025 reflects the estimated purchase price as follows as if the Red Clay acquisition occurred on September 30, 2025:

Cash	$ 39,000,000
Deferred consideration	1,000,000
Estimated net working capital adjustment payable	4,545,000
Total consideration	$ 44,545,000

b) The unaudited pro forma condensed consolidated financial information reflects the estimated fair value of assets acquired and liabilities assumed as follows as if the Red Clay acquisition occurred on September 30, 2025:

Accounts receivable	$ 7,123,370
Contract assets	1,205,607
Prepaid expenses	9,372
Property, plant and equipment	9,122,500
Operating lease right of use assets	328,427
Intangible assets	16,800,000
Goodwill	12,758,359
Accounts payable	(689,472)
Contract liabilities	(1,104,736)
Current portion of operating lease liabilities	(425,696)
Operating lease liabilities, less current portion	(582,731)
Total net assets acquired	**$ 44,545,000**

Assets not acquired from Red Clay, specifically cash, notes payable (see Note 4), and accrued expenses were excluded and adjusted out from the Red Clay historical condensed consolidated balance sheet as of September 30, 2025.

c) Reflects the elimination of historical equity of Red Clay as if the Red Clay acquisition occurred on September 30, 2025.

The pro forma purchase accounting adjustments included in the unaudited pro forma condensed consolidated statement of income for the nine months ended September 30, 2025 and for the year ended December 31, 2024 are as follows:

d) The fair value and weighted average estimated useful life of identifiable intangible assets and their respective impact on additional amortization expense are estimated as follows as if the Red Clay acquisition occurred on January 1, 2024:

			Annual Amortization ($)	
Intangible assets:	**Fair Value ($)**	**Weighted average useful life (years)**	**For the Nine Months Ended September 30, 2025**	**For the Year Ended December 31, 2024**
Customer relationships	14,600,000	7	1,564,286	2,085,714
Backlog	1,700,000	0.67	-	1,700,000
Trade name	500,000	1	-	500,000
Total	16,800,000		1,564,286	4,285,714

e) The depreciation expense related to acquired property and equipment was adjusted to reflect the respective impact of the estimated fair value and estimated useful lives of 5.1 years as if the Red Clay acquisition occurred on January 1, 2024.

The amounts presented above reflect preliminary estimates of purchase accounting under ASC 805 and related fair value measurements. These amounts are unaudited and subject to change pending completion of ongoing valuation procedures for balances disclosed, any impacts for deferred income taxes, and the final determination of the net working capital adjustment pursuant to the APA.

Property and equipment will be depreciated using the double-declining balance method, consistent with the Company's policy for similar assets, with estimated useful lives of five to six years based on the condition of the acquired equipment. Backlog will be amortized in proportion to the recognition of the related project revenue, which is expected to be completed within approximately eight months. Other identifiable intangible assets will be amortized on a straight-line basis over their estimated useful lives as follows: customer relationships over seven years and trade names over one year.

The excess of purchase consideration over the fair value of net assets acquired was recorded as goodwill. The goodwill recognized is attributable to qualitative factors such anticipated cost synergies and future growth in the combined business as well as the value of the assembled workforce acquired. Goodwill recognized in the acquisition is expected to be deductible for U.S. federal income tax purposes and amortized over 15 years.

The fair value of the intangible assets were determined using a Level 3 fair value measurement under ASC 820, as the valuation relied on significant unobservable inputs. Management has determined that the customer relationships represent the most significant intangible asset acquired, and therefore disclosures focus primarily on this asset. The Company applied the multi-period excess earnings method, which estimates the present value of after-tax cash flows attributable to existing customers after deducting contributory asset charges. Key assumptions included projected revenues and operating margins, an attrition rate of 15%, a discount rate of 34.5%, and a tax amortization period of 15 years. The resulting fair value of customer relationships was $14.6 million.

A hypothetical 250 basis point decrease/increase in the customer attrition rate would increase/decrease the fair value of the customer relationship by approximately $1.3 million. A hypothetical 100 basis point decrease/increase in the discount rate would increase/decrease the fair value of the customer relationship by approximately $0.3 million.

Note 3: Reclassification Adjustments for the Red Clay Acquisition

The pro forma reclassification adjustments included in the unaudited pro forma condensed consolidated statement of income for the nine months ended September 30, 2025 and for the year ended December 31, 2024 are as follows:

a) The Company recognizes Administrative wages and benefits costs within General and administrative, while Red Clay recognizes these costs as a discrete presented item. Therefore, this adjustment conforms the presentation of Administrative wages and benefits costs to the Company's presentation.

b) The Company recognizes Loss (gain) on disposal of property and equipment as a component of Income from operations, while Red Clay recognizes this income in a discrete presentation within other income. Therefore, this adjustment conforms the presentation of the gain on disposal of property and equipment to the Company's presentation.

c) The Company recognizes Interest Expense, net, while Red Clay recognizes Interest income and expense discretely. Therefore, this adjustment conforms the presentation of Interest income the Company's presentation.

Note 4: Financing Adjustments

The unaudited pro forma condensed consolidated balance sheet as of September 30, 2025 reflects the following financing-related adjustments for transaction accounting associated with the Red Clay acquisition:

a) The net increase to debt reflects borrowings on the New Credit Facility of $39.0 million related to the purchase of Red Clay. In addition, financed issuance costs of approximately $2.0 million are recognized as an increase and offset to Notes payable. These adjustments are reflected as if they occurred on September 30, 2025. Red Clay's outstanding debt of $7.3 million was not assumed by the Company upon consummation of the acquisition and reflects $24.3 million repaid out of proceeds from the Offering (See Note 6(f)). These are recognized at provisional estimates as follows:

	Amount
Pro forma transaction accounting adjustments:	
Decrease for removal of Red Clay's existing debt (current portion)	$ (1,221,632)
Decrease for removal of Red Clay's existing debt (less current portion)	(1,166,697)
Decrease for refinancing of Cardinal's existing debt (current portion)	(21,206,052)
Decrease for refinancing of Cardinal's existing debt (less current portion)	(59,467,271)
Increase for the New Credit Facility Debt utilized to finance the Red Clay Acquisition and refinance the Prior Credit Facility and Equipment facility	122,100,000
Increase for financed issuance costs related to the New Credit Facility	(1,996,305)
Net pro forma transaction accounting adjustments to Debt in connection with Red Clay and Acqusition Financing Transaction	37,042,043
Pro forma offering adjustments:	
Decrease in principal for repayment of New Credit Facility from the proceeds of the offering	(24,300,000)
Net pro forma transaction accounting adjustments to Debt in connection with Red Clay and Acqusition Financing Transaction and the Offering	$ 12,742,043
Adjustments comprise of:	
Current portion of notes payable	$ (17,927,684)
Notes payable, less current portion, net of unamortized debt issuance costs	$ 30,669,727

The pro forma adjustments included in the unaudited pro forma condensed consolidated statement of income for the nine months ended September 30, 2025 and for the year ended December 31, 2024 are as follows:

b) Represents the net increase to interest expense resulting from interest on the New Credit Facility which was utilized to finance the acquisition of Red Clay and the amortization of related debt issuance costs assuming the debt was obtained January 1, 2024, offset by the historical interest expense recorded related to Red Clay and Cardinal's existing debt, and reduction of interest expense due to the repayment of $24.3 million as if the repayment occurred January 1, 2024 (See Note 6(bb)) as follows:

	For the Nine Months Ended September 30, 2025	For the Year Ended December 31, 2024
Pro forma transaction accounting adjustments:		
Elimination of net interest expense and amortization of debt issuance costs - outstanding Red Clay's debt	$ (208,607)	$ (113,475)
Elimination of net interest expense and amortization of debt issuance costs - outstanding Cardinal's debt on Prior Credit Facility and Equipment Facility	$ (3,783,822)	$ (4,645,814)
Interest expense on New Credit facility at 6.31% (Based on SOFR of 3.93% on December 5, 2025, Plus an applicable margin of 2.38%)	5,773,804	7,698,405
Amortization of debt issuance costs Cardinal	298,328	386,839
Net pro forma transaction accounting adjustments to Debt in connection with Red Clay and Acquisition Financing Transaction	2,079,703	3,325,955
Pro forma offering adjustments:		
Reduction in Interest expense due to repayment of $24.3m of New Credit Facility at 6.31% (Based on SOFR of 3.93% on December 5, 2025, Plus an applicable margin of 2.38%)	(1,149,086)	(1,532,115)
Net pro forma transaction accounting adjustments to Debt in connection with Red Clay and Acquisition Financing Transaction and the Offering	$ 930,617	$ 1,793,840

A 1/8th of a percentage point increase or decrease in the benchmark rate would result in a change in interest expense of approximately $0.1 million for the nine months ended September 30, 2025 and approximately $0.1 million for the year ended December 31, 2024 in respect of $97.8 million in borrowings under the New Credit Facility after adjustments reflecting a $24.3 million principal repayment.

Note 5: Other Adjustments for the Red Clay Acquisition

The pro forma adjustments included in the unaudited pro forma condensed consolidated balance sheet as of September 30, 2025 are as follows:

a) Reflects the net effect within retained earnings and non-controlling interests related to equity granted to management in connection with the acquisition of Red Clay. The value of this adjustment is based on an estimated fair value of the stock grant derived based on the initial public offering price of $21.00 per share multiplied by an equivalent number of shares of Class B Common Stock, the adjustment reflects the amount of the expense not allocable to the historic noncontrolling interest as if the transaction occurred on September 30, 2025.

The pro forma adjustments included in the unaudited pro forma condensed consolidated statement of income for the nine months ended September 30, 2025 and for the year ended December 31, 2024 are as follows:

b) Reflects the stock-based compensation expense recognized within general and administrative expense related to equity granted to management in connection with the acquisition of Red Clay which vest prior to the acquisition as if the acquisition occurred on occurred on January 1, 2024. The value of this adjustment is based on an estimated fair value of the stock grant derived based on the initial public offering price of $21.00 per share multiplied by an equivalent number of shares of Class B Common Stock granted.

c) Provides for an assumed income tax expense on the Company's share of Red Clay earnings which is calculated at 8.88% of income before income tax expense. Following the Transactions, the Company will be subject to U.S. federal income taxes in addition to applicable state and local taxes with respect to the Company's allocable share of net taxable income of Cardinal. Accordingly, the Company has provided income taxes assuming a blended federal, state, and local rate of 22.78% on the Company's allocable share of taxable income, and assuming no adjustments for non-taxable or non-deductible amounts of income and expenses. The actual rate could vary from the rate used in the pro forma financial statements.

d) Reflects the portion of the Company's net income allocable to the noncontrolling interest related to Red Clay based on a 39.0% economic interest with control of the management of Cardinal. The Continuing Equity Holders will own the remaining 61.0% economic interest in Cardinal, which will be accounted for as a noncontrolling interest in the Company's future consolidated financial statements.

Note 6: Adjustments to unaudited pro forma condensed consolidated balance sheet and unaudited pro forma condensed consolidated statement of income

The pro forma adjustments included in the unaudited pro forma condensed consolidated balance sheet as of September 30, 2025 are as follows:

(a) Reflects the net effect on cash and cash equivalents and stockholders' equity of the issuance of shares of Class B Common Stock to the Continuing Equity Holders, which is equal to the number of LLC Units held by such Continuing Equity Holders, at the time of such issuance of Class B common stock, for nominal consideration.

(b) Reflects the net effect on cash and cash equivalents and stockholders' equity of the receipt of the Offering proceeds to the Company of $258.3 million, based on the sale of 13,225,000 shares of Class A Common Stock (which includes the exercise in full of the underwriters' option to purchase additional shares of Class A Common Stock) at the initial public offering price of $21.00 per share, after deducting the estimated underwriting discount.

(c) Reflects deferred offering costs expenses incurred in connection with the Transactions, including the Offering, that the Company and Cardinal have incurred, will bear or reimburse to the Company and the corresponding offset to offering proceeds as if the Offering occurred on September 30, 2025.

(d) Reflects the purchase of 7,500,000 LLC Units from certain of the Continuing Equity Holders for $157.5 million in the aggregate.

(e) Upon completion of the Reorganization, the Company will become the sole managing member of Cardinal. Although the Company will have a minority economic interest in Cardinal, the Company will have the sole voting interest in, and control of the management of, Cardinal. As a result, the Company will consolidate the financial results of Cardinal and will report a noncontrolling interest related to the interests in Cardinal held by the Continuing Equity Holders on the Company's consolidated balance sheet. Immediately following the Reorganization, the Offering and after the exercise of the underwriters' option to purchase additional shares of the Company's Class A Common Stock in full, the economic interests held by the noncontrolling interest are approximately 61.0%.

(f) Reflects a decrease in cash and cash equivalents and debt for the repayment of $24.3 million in borrowings on the New Credit Facility as if it occurred on September 30, 2025.

(g) Reflects adjustments for deferred tax assets and obligations under the Tax Receivable Agreement triggered by the purchase of LLC Units from each of the Continuing Equity Holders in connection with the completion of the Offering. The pro forma adjustments reflect the following:

- Estimated deferred tax benefit of approximately $44.9 million recognized for the tax benefit of the difference in basis between reporting under GAAP and income tax reporting purposes associated with the purchase of LLC Units from each of the Continuing Equity Holders. In connection with this purchase, the Company intends to make an election under Section 754 of the Code, which will allow the Company to succeed to the aggregate historical tax basis of LLC Units. The total tax benefit from such historical tax basis, including any increases thereto as a result of the Transactions, will primarily be amortized over 15 years pursuant to Section 197 of the Code, subject to further allocation adjustments to be made at the time of preparation of the Company's tax returns.

- Corresponding liability under the Tax Receivable Agreement triggered by the purchase of LLC Units from each of the Continuing Equity Holders of $38.2 million representing 85% of the amount of tax benefits that the Company expects to realize related to certain tax basis adjustments and payments made under the Tax Receivable Agreement.

- Credit to Additional paid-in capital associated with the deferred tax assets ($44.9 million) reduced by a charge for the obligation under the Tax Receivable Agreement for a total adjustment of $38.2 million, for a total net credit of $6.7 million.

(h) Reflects a decrease in cash and cash equivalents and related party loans to shareholders for the repayment of $0.1 million in borrowings from related parties within the Company as if it occurred on September 30, 2025. This loan was subsequently repaid in November 2025. .

(i) Reflects an increase in accrued distributions and corresponding decrease in members equity for $12.5 million in tax distributions paid subsequent to September 30, 2025 from Cardinal as if it occurred on September 30, 2025.

Due to the uncertainty as to the amount and timing of future redemptions or exchanges of the LLC Units by the Continuing Equity Holders and as to the price per share of the Company's Class A Common Stock at the time of any such exchanges, the unaudited pro forma condensed consolidated financial information does not assume any future exchanges of LLC Units. See Note 2, Deferred Income Taxes and Tax Receivable Agreement for further discussion.

The pro forma adjustments included in the unaudited pro forma condensed consolidated statement of income for the nine months ended September 30, 2025 and for the year ended December 31, 2024 are as follows:

(aa) Reflects a decrease in depreciation, interest expense, and equity in income of unconsolidated affiliates and an increase in general and administrative expenses as if CCCRE deconsolidated on January 1, 2024.

(bb) Reflects a decrease in interest expense as if the repayment of approximately $24.3 million of borrowings on the New Credit Facility occurred on January 1, 2024 as reflected within Note 3(b).

(cc) Provides for an assumed income tax expense on the Company's earnings which is calculated at 8.88% of income before income tax expense. Following the Transactions, the Company will be subject to U.S. federal income taxes in addition to applicable state and local taxes with respect to the Company's allocable share of net taxable income of Cardinal. Accordingly, the Company has provided income taxes assuming a blended federal, state, and local rate of 22.78% on its allocable share of taxable income, and assuming no adjustments for non-taxable or non-deductible amounts of income and expenses. The actual rate could vary from the rate used in the pro forma financial statements.

(dd) Reflects the elimination of noncontrolling interests attributable to Cardinal NC as a result of minority equity holders of non-wholly owned subsidiaries becoming equity holders of Cardinal NC and such non-wholly owned subsidiaries of Cardinal NC became wholly owned subsidiaries of Cardinal NC, as if it occurred on occurred on January 1, 2024.

(ee) Reflects the portion of the Company's net income allocable to the noncontrolling interest. After the Transactions, the Company became the managing member of Cardinal with a 39.0% economic interest but will control the management of Cardinal. The Continuing Equity Holders own the remaining 61.0% economic interest in Cardinal, which will be accounted for as a noncontrolling interest in the Company's future consolidated financial statements.

Note 7: Deferred income taxes and Tax Receivable Agreement

As described above, the Company used the net proceeds from the offering to purchase newly issued LLC Units directly from Cardinal, and Cardinal used a portion of the net proceeds to purchase existing LLC Units from each Continuing Equity Holder. As a result of the Company's post Offering organizational structure, the Company expects to obtain (i) an allocable share (and increases thereto) of existing tax basis in Cardinal's assets and tax basis adjustments with respect to such assets resulting from (a) the Company's purchase of LLC Units from each Continuing Equity Holder in connection with the Transactions, as described above, (b) any future redemptions or exchanges of LLC Units from the Continuing Equity Holders, (c) certain distributions (or deemed distributions) by Cardinal, and (d) payments made under the Tax Receivable Agreement; and (ii) certain tax benefits (such as interest deductions) arising from payments made under the Tax Receivable Agreement. The Company intends to treat any redemption or exchange of LLC Units for its Class A Common Stock or cash as a direct purchase of LLC Units from the Continuing Equity Holders for U.S. federal income and other applicable tax purposes, regardless of whether such LLC Units are surrendered by the Continuing Equity Holders to Cardinal for redemption or sold to us upon the exercise of its election to acquire such LLC Units directly. Moreover, as a result of the application of the principles of Section 704(c) of the Code and the U.S. Treasury regulations issued thereunder, which require that items of income, gain, loss and deduction attributable to property owned by Cardinal on the date that the Company purchases LLC Units directly from Cardinal with a portion of the proceeds from the Offering must be allocated among the members of Cardinal to take into account the difference between the fair market value and the adjusted tax basis of such assets on such date, Cardinal may be required to make certain special allocations of its items of loss and deduction to us over time that are in excess of the Company's pro rata share of such items of loss or deduction. Such Basis Adjustments and Section 704(c) allocations may have the effect of reducing the amounts the Company would otherwise pay in the future to various tax authorities and may also decrease gains (or increase losses) on future dispositions of certain assets to the extent tax basis is allocated to those assets.

The Company will recognize a deferred tax asset for financial reporting purposes when it is "more-likely-than-not" that it will realize the tax benefit.

In addition, the Tax Receivable Agreement provides for payment by the Company to the Continuing Equity Holders of 85% of certain tax benefits, if any, that the Company actually realizes, or in some circumstances is deemed to realize, as a result of Basis Adjustments and certain tax benefits (such as interest deductions) arising from payments made under the Tax Receivable Agreement. These Tax Receivable Agreement payments are not conditioned upon one or more of the Continuing Equity Holders maintaining a continued ownership interest in Cardinal. If a Continuing Equity Holder transfers LLC Units but does not assign to the transferee of such units its rights under the Tax Receivable Agreement, such Continuing Equity Holder generally will continue to be entitled to receive payments under the Tax Receivable Agreement arising in respect of a subsequent exchange of such LLC Units. In general, the Continuing Equity Holders' rights under the Tax Receivable Agreement may not be assigned, sold, pledged, or otherwise alienated to any person without such person becoming a party to the Tax Receivable Agreement and agreeing to succeed to the applicable Continuing Equity Holder's interest therein. Amounts payable under the Tax Receivable Agreement are contingent upon, among other things, generation of sufficient future taxable income during the term of the Tax Receivable Agreement.

If all of the Continuing Equity Holders were to exchange or redeem their remaining LLC Units immediately after the Offering, which is assumed to be September 30, 2025 for purposes of the pro forma information presented herein (excluding the impact of the underwriters exercising in full their option to purchase additional shares of Class A Common Stock and the use of net proceeds by Cardinal to redeem LLC Units from the Continuing Equity Holders), the Company would recognize an additional deferred tax asset of approximately $139.9 million and a related liability for payments under the Tax Receivable Agreement of approximately $119.0 million assuming, among other factors (i) all exchanges occurred on the same day; (ii) a price of $21.00 per share of Class A Common Stock; (iii) a constant corporate tax rate of 22.78%; (iv) sufficient taxable income to fully utilize the tax benefits; (v) Cardinal is able to fully depreciate or amortize its assets; and (vi) no material changes in applicable tax law. For each 5% increase (decrease) in the amount of LLC Units exchanged by the Continuing Equity Holders, the Company's deferred tax asset would increase (decrease) by approximately $2.2 million and the related liability for payments under the Tax Receivable Agreement would increase (decrease) by approximately $1.9 million assuming that the price per share of the Class A Common Stock at the time of the exchange and the corporate tax rate remains the same. These amounts are estimates and have been prepared for informational purposes only. The actual amount of deferred tax assets and related liabilities that the Company will recognize will differ based on, among other things, the timing of the redemptions or exchanges, the price of the Company's shares of Class A Common Stock at the time of the redemptions or exchanges, the availability of sufficient taxable income and the tax rates then in effect, and may be significantly different from the amounts described in the preceding sentence.

The Company may elect (with the approval of a majority of its independent directors) to terminate the Tax Receivable Agreement early by making an immediate cash payment equal to the present value of the anticipated future tax benefits that would be required to be paid by the Company to the Continuing Equity Holders under the Tax Receivable Agreement. The calculation of such cash payment would be based on certain assumptions, including, among others, (i) that any Continuing Equity Holders' LLC Units that have not been exchanged are deemed exchanged, in general, for the fair market value of the Company's Class A Common Stock that would be received by such Continuing Equity Holder if such LLC Units had been exchanged at the time of termination; (ii) the Company will have sufficient taxable income in each future taxable year to fully realize all potential tax savings; (iii) the federal tax rates for future years will be those specified in the law as in effect at the time of termination and the combined state and local tax rates will be an assumed tax rate; and (iv) certain non-amortizable assets are deemed disposed of within specified time periods. The Company will reassess the tax benefit payments liability at each reporting period based on updated exchange activity and tax benefit realization. The contractual Early Termination Rate is defined under the agreement as the lesser of (i) 6.5% per annum, compounded annually, and (ii) SOFR plus 100 basis points, which applies to early termination payments and may serve as a reference point for market participant assumptions. The Company expects that if the Tax Receivable Agreement were terminated immediately after the Offering (based on the initial public offering price of $21.00 per share of Class A Common Stock), the estimated termination payments based on management's preliminary assumptions would be approximately $104.6 million (calculated using a 4.95% discount rate equal to the lesser of (i) SOFR plus 100 basis points and (ii) 6.5%, applied against an undiscounted liability of approximately $157.1 million based on (A) a 21% U.S. federal corporate income tax rate and (B) applicable state and local income tax rates). A 100-basis point reduction in the discount rate would result in the tax benefit payments liability of approximately $113.0 million.

Note 8: Pro forma Earnings Per Share

Pro forma net income per share is computed by dividing the net income attributable to holders of Class A Common Stock by the weighted-average shares of Class A Common Stock outstanding during the period. Shares of Class B Common Stock do not participate in earnings of the Company. As a result, the shares of Class B Common Stock are not considered participating securities and are not included in the weighted-average shares outstanding for purposes of computing pro forma net income per share.