

Consolidated Financial Statements,
Report of Independent Certified Public
Accountants and Reports Required by
Government Auditing Standards and
Uniform Guidance

Noblis, Inc. and Subsidiaries

October 3, 2025 and September 27, 2024

Contents

	Page
Report of Independent Certified Public Accountants	3
Consolidated Financial Statements	
Consolidated statements of financial position	6
Consolidated statements of activities	7
Consolidated statements of cash flows	8
Notes to consolidated financial statements	9
Supplemental Information	
Schedule of expenditures of federal awards	25
Notes to schedule of expenditures of federal awards	27
Report of Independent Certified Public Accountants on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	28
Report of Independent Certified Public Accountants on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	30
Schedule of findings and questioned costs	33

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
Noblis, Inc. and Subsidiaries

Report on the audit of the financial statements**Opinion**

We have audited the consolidated financial statements of Noblis, Inc. (a nonprofit organization) and subsidiaries (the “Entity”), which comprise the consolidated statements of financial position as of October 3, 2025 and September 27, 2024, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Entity as of October 3, 2025 and September 27, 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Entity and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for a reasonable period of time.

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

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information

directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with US GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025 on our consideration of the Entity's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Entity's internal control over financial reporting and compliance.

Grant Thornton LLP

Arlington, Virginia
December 19, 2025

Noblis, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In thousands)

	October 3, 2025	September 27, 2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 666	\$ 361
Accounts receivable, net of allowance for credit losses	62,678	58,883
Contract assets	18,068	19,957
Prepaid expenses and other assets	7,264	7,506
Total current assets	88,676	86,707
Property and equipment, net	7,694	7,794
Other assets		
Investments, fair value	192,186	155,434
Investments, cost	3,500	2,500
Goodwill	135,536	135,536
Intangible assets, net	2,752	4,491
Operating right-of-use assets	17,036	26,229
Other	4,911	3,516
Total assets	<u>\$ 452,291</u>	<u>\$ 422,207</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Bank overdraft	\$ 395	\$ 299
Accounts payable and accrued expenses	18,693	19,597
Accrued compensation and related expenses	45,822	45,852
Bank line of credit - current portion	-	10,805
Operating right-of-use liabilities - current portion	8,098	8,571
Contract liabilities	5,545	6,744
Total current liabilities	78,553	91,868
Long-term obligations		
Bank line of credit - non-current portion	15,411	-
Benefit obligations and deferred compensation	4,581	3,463
Operating right-of-use liabilities - non-current portion	10,864	20,661
Total long-term obligations	30,856	24,124
Total liabilities	109,409	115,992
Total net assets without donor restrictions	<u>342,882</u>	<u>306,215</u>
Total liabilities and net assets	<u>\$ 452,291</u>	<u>\$ 422,207</u>

The accompanying notes are an integral part of these consolidated financial statements.

Noblis, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF ACTIVITIES
(In thousands)

	October 3, 2025	September 27, 2024
Revenue	\$ 609,576	\$ 617,115
Costs and expenses		
Contract costs	541,944	546,898
General and administrative	35,017	35,789
Research and development	9,194	7,863
Amortization of intangible assets	1,738	1,752
	587,893	592,302
Income from operations	21,683	24,813
Other income (expenses)		
Interest and dividend income	5,732	3,862
Net realized and unrealized investment gains	10,869	22,032
Interest expense	(1,695)	(1,068)
Other income (expense), net	78	(147)
	14,984	24,679
CHANGE IN NET ASSETS	36,667	49,492
Net assets without donor restrictions, beginning of year	306,215	256,723
Net assets without donor restrictions, end of year	\$ 342,882	\$ 306,215

The accompanying notes are an integral part of these consolidated financial statements.

Noblis, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS
(n thousands)

	October 3, 2025	September 27, 2024
Cash flows from operating activities:		
Change in net assets	\$ 36,667	\$ 49,492
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Net realized and unrealized investment gain	(10,869)	(22,032)
Allowance for credit loss expense	70	29
Depreciation and amortization	4,965	4,292
Changes in operating assets and liabilities		
Accounts receivable	(3,865)	103
Contract assets	1,889	(1,373)
Prepaid expenses and other assets	242	(337)
Other assets	(1,395)	(1,024)
Bank overdraft	96	(28)
Accounts payable and accrued expenses	(898)	(521)
Accrued compensation and related expenses	(30)	6,910
Contract liabilities	(1,199)	(573)
Lease obligations	(1,077)	(306)
Benefit obligations and deferred compensation	1,118	1,057
	<u>25,714</u>	<u>35,689</u>
Net cash provided by operating activities		
Cash flows from investing activities:		
Purchase of property and equipment	(3,129)	(3,797)
Interest and dividends reinvested	(5,555)	(3,795)
Purchase of investments, cost	(1,000)	(500)
Purchase of investments, fair value	(78,471)	(59,656)
Contributions to equity method investments	(3)	-
Proceeds from the sale of investments	58,143	34,419
	<u>(30,015)</u>	<u>(33,329)</u>
Net cash used in investing activities		
Cash flows from financing activities:		
Borrowings on bank line of credit	378,687	365,461
Repayments on bank line of credit	(374,081)	(367,874)
	<u>4,606</u>	<u>(2,413)</u>
Net cash used in financing activities		
NET DECREASE IN CASH AND CASH EQUIVALENTS	305	(53)
Cash and cash equivalents, beginning of year	361	414
Cash and cash equivalents, end of year	\$ 666	\$ 361
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 1,695	\$ 1,068

The accompanying notes are an integral part of these consolidated financial statements.

Noblis, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

October 3, 2025 and September 27, 2024
(In thousands)

NOTE A - BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Noblis, Inc. (the “Company”, “Noblis,” “we,” or “our”) was incorporated on December 11, 1995 under the laws of the State of Delaware and commenced business on January 29, 1996. Noblis is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code (“IRC”) and state statutes, respectively, with the exception of unrelated business income. Noblis is headquartered in Reston, Virginia, with offices throughout the United States. Noblis is a science, technology and strategy organization that helps clients solve complex scientific systems, processes, and infrastructure matters or challenges in ways that benefit the public.

The following is a summary of the significant accounting policies for Noblis, which have been consistently applied in the preparation of the accompanying consolidated financial statements. All amounts are stated in thousands, unless otherwise noted.

Accounting Period

Noblis utilizes a 52-week annual reporting period composed of four quarters with 13 weeks each, with the fiscal year ending on the final Friday in its fiscal year end month. Due to the timing of when the fiscal year ends, some periods may contain 53 weeks instead of 52. The accompanying consolidated financial statements present 53-week period ended October 3, 2025 and 52-week period ended September 27, 2024.

Net Assets

Net assets represent the excess of accumulated contract cost reimbursements and fees and other income over total costs and expenses, plus the net assets transferred from a predecessor 501(c)(3) organization in 1996. Noblis’ net assets are without donor restrictions.

Principles of Consolidation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and include the accounts of Noblis, Inc. and its wholly owned subsidiaries, Noblis ESI LLC and Noblis MSD LLC. All significant intercompany balances and transactions have been eliminated in consolidation.

Revenue Recognition

The Company generates substantially all of its revenue from three different types of contractual arrangements with the U.S. federal government: cost-plus-fee, time-and-materials (“T&M”), and fixed-price contracts. A summary of the revenue by contract arrangement type follows. A majority of the Company’s contracts with the U.S. government are generally subject to the Federal Acquisition Regulations and are competitively priced based on estimated costs of providing the contractual goods or services.

	October 3, 2025	September 27, 2024
Time-and-materials	\$ 269,801	\$ 279,304
Cost-plus-fee	239,666	241,785
Fixed-price	100,109	96,026
Total revenue	<u>\$ 609,576</u>	<u>\$ 617,115</u>

Noblis, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

October 3, 2025 and September 27, 2024
(In thousands)

The Company accounts for a contract when the parties have approved the contract and are committed to perform on it, the rights of each party and the payment terms are identified, the contract has commercial substance, and it is probable that we will collect substantially all of the consideration.

At contract inception, the Company determines whether the goods or services to be provided are to be accounted for as a single performance obligation or as multiple performance obligations. This evaluation requires professional judgement and it may impact the timing and pattern of revenue recognition. Substantially all of the Company's contracts call for multiple promises that are highly integrated and, as such, we typically account for them as having a single performance obligation.

When determining the total transaction price, the Company identifies both fixed and variable consideration elements within the contract. Variable consideration, typically in the form of award or incentive fees, is included in the estimated transaction price based on the most likely amount, to the extent that it is probable that a significant reversal of revenue will not occur, when there is a basis to reasonably estimate the amount of the fee. These estimates are typically based on historical award experience, anticipated performance and our best judgement based on current facts and circumstances. Throughout the performance period, the Company recognizes revenue on a constrained amount of variable consideration only to the extent that it is probable that a significant reversal of the cumulative amount recognized to date will not be required in a subsequent period.

The Company generally recognizes revenue over time throughout the performance period as the customer simultaneously receives and consumes the benefits provided on our services-type revenue arrangements. This continuous transfer of control for U.S. government contracts is supported by the unilateral right of our customer to terminate the contract for a variety of reasons without having to provide justification for its decision. For services-type revenue arrangements in which there are a repetitive amount of services that are substantially the same from one month to the next, the Company applies the series guidance. The Company typically uses an input method based on costs incurred to approximate the progress towards complete satisfaction of the performance obligation. For certain contracts, primarily cost-plus and T&M services-type revenue arrangements, the Company applies the right-to-invoice practical expedient in which revenue is recognized in direct proportion to the present right to consideration for progress towards the complete satisfaction of the performance obligation.

When a performance obligation has a significant degree of interrelation or interdependence between one month's deliverables and the next, when there is an award or incentive fee, or when there is a significant degree of customization or modification, the Company generally records revenue using a percentage of completion methodology. For these revenue arrangements, substantially all revenue is recognized over time using a cost-to-cost input method based on the ratio of costs incurred to date to total estimated costs at completion. When estimates of total costs to be incurred on a contract exceed total revenue, a provision for the entire loss on the contract is recorded in the period in which the loss is determined.

Contract modifications are reviewed to determine whether they should be accounted for as part of the original performance obligation or as a separate contract. When a contract modification changes the scope or price and the additional performance obligations are at their standalone selling price, the original contract is terminated and the Company accounts for the change prospectively when the new goods or services to be transferred are distinct from those already provided. When the contract modification includes goods or services that are not distinct from those already provided, the Company records a cumulative adjustment to revenue based on a remeasurement of progress towards the complete satisfaction of the not yet fully delivered performance obligation.

Based on the critical nature of the Company's contractual performance obligations, the Company may proceed with work based on customer direction prior to the completion and signing of formal contract documents. The Company has a formal review process for approving any such work that considers previous

Noblis, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

October 3, 2025 and September 27, 2024
(In thousands)

experiences with the customer, communications with the customer regarding funding status, and the Company's knowledge of available funding for the contract or program.

Noblis bills federal governments in conformity with government contract schedules. Noblis recognizes deferred revenue when amounts billed on contracts exceed revenue recognized.

Contract Assets

Contract assets include unbilled receivables typically resulting from revenue recognized on long-term contracts when the amount of revenue recognized exceeds the amounts billable. These amounts become billable according to contract terms, which consider the passage of time, achievement of certain milestones or completion of the contract. It also includes contract retainages until the Company has met the contract-stipulated requirements for payment. Contract assets are reported in a net position on a contract-by-contract basis each period. On a contract-by-contract basis, amounts do not exceed their net realizable value. Generally, unbilled amounts will be billed and collected within one year.

Contract Liabilities

Contract liabilities include advance payments received and billings in excess of revenue recognized on long-term contracts. Contract liabilities are reported in a net position on a contract-by-contract basis each period.

Accounts Receivable

The majority of Noblis' accounts receivable are due from U.S. federal government agencies. Billed amounts represent invoices that have been prepared and sent to the customer and represent an unconditional right to receive the consideration. Accounts receivable are recorded at amounts earned, less an allowance.

Allowance for Credit Losses

Noblis establishes allowances for credit losses in accounts receivable and contract assets. To measure expected credit losses, management considers historical collectability based on past due status as well as market conditions and forecasts of future economic conditions to inform potential adjustments to historical loss data. In addition, Noblis records allowance for credit losses for specific receivables that are deemed to have a higher risk profile than the rest of the respective pool of receivables, such as concerns about a specific customer's inability to meet its financial obligations. The adequacy of these allowances is assessed regularly through consideration of factors on a collective basis where similar characteristics exist and on an individual basis.

Cash and Cash Equivalents

Noblis considers all cash, money market investments, and highly liquid debt instruments purchased with an original maturity of three months or less and designated to fund operations to be cash and cash equivalents.

Investments, Fair Value

Noblis records its investments in money market funds and mutual funds at fair market value, based on the last reported sales price on the valuation date.

Net investment gains included in the consolidated statements of activities are comprised of earnings and losses from investment activity, including realized and unrealized gains and losses from investments.

Noblis, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

October 3, 2025 and September 27, 2024
(In thousands)

Investments are internally managed, principally through investments in money market, stocks, and mutual funds. The board of trustees has adopted investment policies and guidelines, which cover asset allocation and impose various restrictions and limitations on the investment of funds. These restrictions and limitations are specific to each asset classification and cover concentrations of market risk, at both the individual issuer and industry group levels, and various other matters.

Investments, Cost

The Company holds investments in certain privately held entities. The Company accounts for these investments using the cost method when it is determined that the investment provides the Company with little or no influence over the investee. Under the cost method of accounting, the investment is measured at cost, adjusted for impairments which would be recognized in income. The investments are subject to qualitative assessment for indicators of impairment.

Investments, Equity Method

Investments in unconsolidated subsidiaries, jointly owned companies, and other investees in which the Company has a 20% to 50% interest or otherwise exercises significant influence are accounted for using the equity method, upon which cost is adjusted for the Company's proportionate share of their undistributed earnings or losses and dividends received.

The jointly owned companies the company is invested in are structured so that there will be no undistributed dividends, income, or losses.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, which is three to seven years for equipment. Leasehold improvements are amortized over the lives of the respective leases or five years, whichever is shorter. Internally developed software is amortized over 4.5 years. Assets acquired are not depreciated until they are placed in service. The straight-line method of depreciation is followed for all assets. Improvements and additions which increase the value or extend the life of the related assets are capitalized. Upon retirement or sale of an asset, its cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the consolidated statements of activities.

Maintenance and repairs are expensed as incurred. In addition to the equipment acquired by Noblis, which is included in the accompanying consolidated statements of financial position, Noblis also uses certain government furnished equipment for which it is accountable to the U.S. government.

Goodwill and Intangibles Assets

Noblis follows the guidance under Accounting Standards Codification ("ASC") 958-805, *Not-for-Profit Entities, Business Combinations*, to account for goodwill and indefinite-lived identifiable intangible assets recognized in an acquisition. Such assets are tested for impairment at least annually first considering whether any triggering events may have occurred that might signify the possibility of an impairment having occurred. If then appropriate, Noblis performs a comparison of the estimated fair value of the consolidated unit to the related carrying value of reporting units. Noblis has concluded that its chief operation decision maker (or "CODM") evaluates performance of the business and allocates resources in a manner that consists of one reporting unit. An assessment of possible triggering events was performed with no indication of impairment. The Company elected to perform a quantitative goodwill impairment analysis and the fair value of the reporting unit was greater than the carrying amount. A qualitative assessment was performed

Noblis, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

October 3, 2025 and September 27, 2024
(In thousands)

for the year ended September 27, 2024. No impairment was recorded in the years ended October 3, 2025 or September 27, 2024.

Intangible assets consist primarily of identifiable intangible assets of acquired companies including existing customer contracts and relationships. Intangible assets are stated at the fair value as of the date acquired in a business combination. The fair value of acquired customer-related intangible assets was determined as of the date of acquisition by using an income valuation methodology.

Amortization of intangible assets is calculated using the method that best reflects how their economic benefits are utilized, or if a pattern of economic benefits cannot be reliably determined on a straight-line method over their estimated useful lives. Estimated useful life of the customer-related intangible asset is six years. The amortization period of the intangible assets is based on management's best estimate at the time of the acquisition and is assessed annually to determine if the remaining useful life is appropriate.

Impairment of Long-Lived Assets Excluding Goodwill

Long-lived assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount of an asset group may not be fully recoverable, in accordance with ASC 360, *Property, Plant, and Equipment* ("ASC 360"). These events or changes in circumstances may include a significant deterioration of operating results, changes in business plans, or changes in anticipated future cash flows. If an impairment indicator is present, the Company evaluates recoverability by a comparison of the carrying amount of the assets to future undiscounted net cash flows expected to be generated by the assets. If the undiscounted cash flow analysis indicates the asset group is not recoverable, the impairment recognized is measured by the amount by which the carrying amount exceeds the fair value of the assets. No impairments were recognized during any periods presented.

Leave

Under Noblis' leave policy, employees are permitted to accumulate unused paid time off up to certain amounts. The policy provides for payment to employees of unused paid time off at termination or retirement. Noblis accrues paid time off as it is earned.

Research and Development Costs

Research and development costs are expensed as incurred.

Income Taxes

Noblis, Inc. is exempt from federal income tax under IRC Section 501(c)(3) and 170(b)(1)(A)(vi), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the IRC. Noblis' for-profit subsidiaries, Noblis ESI LLC and Noblis MSD LLC are wholly owned LLCs disregarded for U.S. income tax purposes.

The Company has processes presently in place to ensure the maintenance of its tax-exempt status, to identify and report unrelated income, to determine its filing and tax obligations in jurisdictions for which it has nexus, and to identify and evaluate other matters that may be considered tax positions. The Company has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements.

The Company follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the consolidated financial statements if the position is more likely than not to be sustained if

Noblis, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

October 3, 2025 and September 27, 2024
(In thousands)

the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

Concentrations of Credit Risk

Noblis places its cash with high credit quality institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC"). Cash deposits may exceed the FDIC insurable limit of \$250 at times throughout the year. As of October 3, 2025, no amount was in excess of FDIC limits. Noblis has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Financial instruments which potentially subject Noblis to concentrations of credit risk consist principally of cash, cash equivalents, mutual funds with financial institutions and investment companies and commercial accounts receivable. Management has never experienced any losses in the past and believes any loss from such credit risk to be highly unlikely.

A substantial portion of accounts receivable are derived from prime contracts and subcontracts with U.S. government agencies. The credit risk, with respect to contracts with the government is limited due to the creditworthiness of the respective government entity. The Company has not experienced any losses in such accounts and believes there is no significant credit risk on accounts receivable.

Major Clients

Contracts and grants with federal government agencies accounted for substantially all of Noblis' revenue for the years ended October 3, 2025 and September 27, 2024. Additionally, these agencies accounted for substantially all of Noblis' accounts receivable as of October 3, 2025 and September 27, 2024. Revenues generated from contracts with three federal agencies accounted for approximately 52% of Noblis' revenue for the year ended October 3, 2025 and three federal agencies accounted for approximately 51% of Noblis' revenue for the year ended September 27, 2024. In addition, there was one individual contract accounting for 15% and 14% of Noblis' revenue for the years ended October 3, 2025 and September 27, 2024, respectively. The contracts and grants with federal government agencies generally contain termination for convenience clauses that allow for those customers to terminate contracts. However, while no assurances can be given about future events and circumstances, any such terminations and cancellations of contracts with our customers have been extremely rare and insignificant in the past.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

Financial Accounting Standards Board ("FASB") ASC 820, *Fair Value Measurements*, provides the framework for measuring fair value and expands disclosures about fair value measurements.

In accordance with ASC 820, Noblis classifies its assets and liabilities into Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which observable market inputs are readily available) and Level 3 (securities valued based on significant

Noblis, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

October 3, 2025 and September 27, 2024
(In thousands)

unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value of measurement.

All fair value investments held by Noblis for the fiscal years ended October 3, 2025 and September 27, 2024 were Level 1 investments. Following is a description of the valuation methodologies used for assets measured at fair value:

Money Market Accounts - Valued at quoted prices in an active market are classified within Level 1 of the fair value hierarchy.

Mutual Funds - Valued at the quoted prices in an active market are classified within Level 1 of the fair value hierarchy.

Certain financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued expenses are carried at cost, which due to their short maturities, approximates their fair values as of October 3, 2025. The Company believes the carrying value of its long-term debt approximates the estimated fair value for debt with similar terms, and remaining maturities currently available to companies with similar credit ratings.

Recently Issued Accounting Pronouncements

Accounting Standards Update (“ASU”) 2025-05, *Financial Instruments—Credit Losses*

In July 2025, the FASB issued ASU 2025-05, *Measurement of Credit Losses for Accounts Receivable and Contract Assets*. Under ASU 2025-05, entities may elect a practical expedient method for estimating the allowance for expected credit losses which assumes that the conditions as of the balance sheet date do not change for the remaining life of the asset when developing reasonable and supportable forecasts as part of estimating expected credit losses on current accounts receivable and contract assets. This ASU is effective for annual reporting periods beginning after December 15, 2025. The Company is currently evaluating the provisions of ASU 2025-05 and does not expect the standard to have any impact on the consolidated financial statements.

Accounting Standards Update (“ASU”) 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software*

In September 2025, the FASB issued ASU 2025-06, *Targeted Improvements to the Accounting for Internal-Use Software*, which modernizes the accounting for internal-use software costs by removing all references to software development project stages so that the guidance is neutral to different software development methods. ASU 2025-06 will be effective for the Company for annual reporting periods beginning after December 15, 2027. The amendments may be adopted on a prospective, retrospective, or modified basis. The Company is currently evaluating the impact of the adoption of ASU 2025-06 and does not expect the standard to have any impact on the consolidated financial statements.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies are not expected to have a material impact on the Company’s consolidated financial position, results of operations or cash flows.

NOTE B - LIQUIDITY AND AVAILABILITY

Noblis regularly monitors the liquidity required to meet its operating needs and contractual commitments while also attempting to maximize the long-term value of its available funds. The Company has multiple sources of liquidity at its disposal, including cash and cash equivalents, marketable securities and a line of credit.

Noblis, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

October 3, 2025 and September 27, 2024
(In thousands)

Noblis does not receive significant contributions or gifts with restrictions.

As of October 3, 2025, the following financial assets could be readily available within one year of the consolidated statements of financial position date to meet general expenditures.

Cash and cash equivalents	\$ 666
Accounts receivable, net of allowance for credit losses, and contract assets	80,746
Investments, fair value	<u>192,186</u>
Total	<u>\$ 273,598</u>

The Company holds the investment fund for the purpose of long-term appreciation and re-investment in the business, but those funds remain available and unrestricted.

NOTE C - INTANGIBLE ASSETS, NET

Intangible assets and accumulated amortization are as follows:

October 3, 2025				
	Gross Amount	Accumulated Amortization	Net Amount	Weighted Average Useful Life in Years
Customer-related intangible assets	\$ 10,442	\$ 7,690	\$ 2,752	6.0
	<u>\$ 10,442</u>	<u>\$ 7,690</u>	<u>\$ 2,752</u>	
September 27, 2024				
	Gross Amount	Accumulated Amortization	Net Amount	Weighted Average Useful Life in Years
Customer-related intangible assets	\$ 10,442	\$ 5,951	\$ 4,491	6.0
	<u>\$ 10,442</u>	<u>\$ 5,951</u>	<u>\$ 4,491</u>	

The table below presents estimated future intangible asset amortization:

Fiscal Year	Customer Related
2026	\$ 1,738
2027	1,014
2028	-
	<u>\$ 2,752</u>

Noblis, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

October 3, 2025 and September 27, 2024
(In thousands)

The amortization expense totaled \$1,738 and \$1,751 for years ended October 3, 2025 and September 27, 2024, respectively.

NOTE D - FUNCTIONAL ALLOCATION OF EXPENSES

The Company allocates its expenses on a functional basis among its various contracts and support services. Expenditures which can be identified with a specific contract or support service are allocated directly, according to their natural expenditure.

Company functional allocation of expenses consists of the following for the year ended October 3, 2025:

	Contract	Management and General	Fundraising	Total
Compensation and benefits	\$ 362,273	\$ 18,434	\$ 2,914	\$ 383,621
Professional fees	133,432	1,832	514	135,778
Occupancy	11,940	237	-	12,177
Information technology	14,760	428	100	15,288
Depreciation and amortization	4,749	232	-	4,981
Office expenses	23,379	355	3	23,737
Travel	5,207	482	15	5,704
Other corporate and general	1,160	2,438	3	3,601
Conferences, conventions and meetings	2,857	140	9	3,006
Other - interest expense	1,695	-	-	1,695
Other - expense	(78)	-	-	(78)
Total expenses	\$ 561,374	\$ 24,578	\$ 3,558	\$ 589,510

Company functional allocation of expenses consists of the following for the year ended September 27, 2024:

	Contract	Management and General	Fundraising	Total
Compensation and benefits	\$ 347,477	\$ 17,992	\$ 3,168	\$ 368,637
Professional fees	144,658	1,381	473	146,512
Occupancy	12,111	144	-	12,255
Information technology	12,416	884	5	13,305
Depreciation and amortization	4,069	224	-	4,293
Office expenses	33,207	425	3	33,635
Travel	5,765	466	23	6,254
Other corporate and general	900	2,671	4	3,575
Conferences, conventions and meetings	3,679	151	6	3,836
Other - interest expense	1,068	-	-	1,068
Other - expense	147	-	-	147
Total expenses	\$ 565,497	\$ 24,338	\$ 3,682	\$ 593,517

Noblis, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

October 3, 2025 and September 27, 2024
(In thousands)

NOTE E - ACCOUNTS RECEIVABLE

Accounts receivable consists of the following on:

	October 3, 2025	September 27, 2024
Receivables under U.S. government contracts and subcontractors:		
Amounts billed	\$ 62,773	\$ 58,913
Contract assets (unbilled costs and fees)	18,068	19,957
	80,841	78,870
Less: allowance for credit losses	(95)	(30)
Total accounts receivable	\$ 80,746	\$ 78,840

Changes in Noblis' allowance are as follows for the years ended:

	October 3, 2025	September 27, 2024
Beginning balance	\$ 30	\$ 19
Bad debt expense	70	29
Accounts written off	(5)	(18)
	\$ 95	\$ 30

NOTE F - PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following on:

	October 3, 2025	September 27, 2024
Computer equipment and software	\$ 21,914	\$ 19,887
Office equipment	7,906	7,390
Leasehold improvements	6,992	6,706
	36,812	33,983
Less: accumulated depreciation	(29,699)	(28,240)
	7,113	5,743
Construction in progress	581	2,051
Total property and equipment, net	\$ 7,694	\$ 7,794

Noblis, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

October 3, 2025 and September 27, 2024
(In thousands)

The Company recorded depreciation expense totaling \$3,227 and \$2,541 for the years ended October 3, 2025 and September 27, 2024, respectively.

NOTE G - INVESTMENTS AT FAIR VALUE

The following table sets forth Level 1 assets within the fair value hierarchy. Noblis' investments are reported at fair value as follows on:

	October 3, 2025	September 27, 2024
Money market funds	\$ 6,330	\$ 9,201
Mutual fund investments:		
U.S. government and agency obligations	36,199	26,395
Other debt securities	31,841	24,448
Common and preferred stocks:		
Domestic	81,320	65,312
International	36,496	30,078
Total investments, fair value	\$ 192,186	\$ 155,434

Money market funds are classified as investments as management has the intent of holding them for more than three months.

Investment gains and losses are summarized as follows for the years ended:

	October 3, 2025	September 27, 2024
Net realized gains (losses)	\$ (1,163)	\$ 366
Net unrealized gains	12,032	21,666
	\$ 10,869	\$ 22,032

NOTE H - EQUITY METHOD INVESTMENTS

At October 3, 2025 and September 27, 2024, the Company had the following ownership percentages in joint ventures which were accounted for under the equity method:

	October 3, 2025
Defense Technical Solutions, LLC	49%
AdvanceX, LLC	49%
	September 27, 2024
Defense Technical Solutions, LLC	49%

These investments had no earnings or losses as of October 3, 2025 and September 27, 2024.

Noblis, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

October 3, 2025 and September 27, 2024
(In thousands)

NOTE I - BANK LINE OF CREDIT

Noblis entered into a new credit agreement in May of 2025 with a bank that provides for secured borrowings up to \$100 million, under a five-year revolving line of credit. The line of credit bears interest at the one-month SOFR plus 10 bps rate plus an applicable margin of 0.85%. The agreement matures on May 27, 2030.

The Company had an existing credit agreement with another bank that provided for secured borrowings of up to \$75 million, under a five-year revolving line of credit. The line of credit bore interest at the one-month SOFR plus 10 bps rate plus a tiered spread of between 0.85% and 2.40% based on Adjusted Funded Debt to EBITDA. The agreement matured on June 1, 2025 and was repaid in full on May 27, 2025.

Noblis is required to maintain a Fixed Charges Coverage Ratio of 1.25 and an Adjusted Funded Debt Ratio of less than 3.00 under the new credit agreement. Noblis was required to maintain a Fixed Charges Coverage Ratio of 1.25 and an Adjusted Funded Debt Ratio of less than 2.75 under the prior credit agreement. As of October 3, 2025 and September 27, 2024, Noblis was in compliance with all covenants. The credit facilities are collateralized by all assets and proceeds, whether cash or non-cash, of all foregoing property.

Amounts outstanding on the credit agreement as of October 3, 2025 were \$15,411 and \$10,805 as of September 27, 2024. During the years ended October 3, 2025 and September 27, 2024, the average interest rates were 5.39% and 6.28%, and the effective year-end rates for those years were 5.15% and 6.20%, respectively.

NOTE J - EMPLOYEE BENEFIT PLANS

Employee Retirement Plans

Noblis has two employee retirement plans (the "Plans") covering substantially all employees. These Plans are defined contribution plans established under Sections 403(b) and 401(a) of the IRC. Pursuant to the Plans, employees may elect to contribute a percentage of their annual base salaries and Noblis will contribute a certain percentage of the participants' base salaries. During the years ended October 3, 2025 and September 27, 2024, Noblis recognized expenses of approximately \$17,956 and \$17,828, respectively, for contributions to these Plans. This expense is included in contract costs on the consolidated statements of activities.

Executive Retention Plan ("ERP")

Noblis has a non-qualified deferred compensation plan for its executives which have varied contributions and vests when certain employment criteria are satisfied. For the year ended October 3, 2025, ERP assets increased by \$1,373 consisting of contributions by Noblis of \$1,435, gains on plan assets of \$471, less distributions of \$533. For the year ended September 27, 2024, ERP assets increased by \$1,027 consisting of contributions by Noblis of \$1,004, gains on plan assets of \$572, less distributions of \$549. Included in other assets was \$4,581 and \$3,208 of plan investments and included in benefit obligations and deferred compensation was \$4,581 and \$3,463 at October 3, 2025 and September 27, 2024, respectively.

NOTE K - OPERATING LEASES

The Company leases certain office space and equipment. Certain leases include renewal options and Noblis defines the initial lease term to include renewal options determined to be reasonably certain. In addition, real property leases may contain incentives for tenant improvements, rent holidays or rent

Noblis, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

October 3, 2025 and September 27, 2024
(In thousands)

escalation clauses. For tenant improvement incentives received, if the incentive is determined to be a leasehold improvement owned by the lessee, the Company records the incentives as a reduction to the right-of-use asset. Rent holidays and rent escalation clauses during the lease term are recorded as rental expense on a straight-line basis over the term of the lease. For these lease incentives, Noblis uses the date of initial possession as the commencement date, which is generally when the Company is granted access to the space and begins to make improvements in preparation for intended use. The Company does not have any material restrictions or covenants in its lease agreements, sales-leaseback transactions, land easements or residual value guarantees.

Right-of-use assets represent Noblis' right to use an underlying asset for the lease term, while lease liabilities represent the Company's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the term of the lease.

Certain of the Company's leases include options to renew or terminate the lease. The exercise of lease renewal or early termination options is at Noblis' sole discretion. Noblis regularly evaluates the renewal and early termination options and when they are reasonably certain of exercise, the Company includes such options in the lease term.

In determining the discount rate used to measure the right-of-use assets and lease liabilities, Noblis uses the Company's incremental borrowing rate. Noblis' incremental borrowing rate is based on the interest rate on its existing line of credit.

Right-of-use assets are assessed for impairment in accordance with the Company's ASC 842 policy. The Company reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with Topic 842.

Noblis made significant assumptions and judgements in applying the requirements of ASC 842. In particular, the Company:

- Evaluated whether a contract contains a lease by considering factors such as whether the Company obtained substantially all rights to control an identifiable underlying asset and whether the lessor has substantive substitution rights;
- Determined whether contracts contain material embedded leases;
- Determined the discount rate used to measure the lease liability; and

Noblis does not have any material leasing transactions with related parties.

The standard provides for several optional practical expedients. Upon transition to Topic 842, the Company elected the package of practical expedients permitted under the transition guidance which does not require the Company to reassess prior conclusions regarding whether contracts are or contain a lease, not to re-assess lease classification on existing leases and not to re-assess initial direct costs of obtaining a lease.

The standard also provides for several accounting policy elections, as follows:

- The Company has elected the policy not to separate lease and non-lease components for all asset classes.
- The Company elected not to apply the recognition requirements for all leases with an original term of 12 months or less, for which the Company is not likely to exercise a renewal option or purchase

Noblis, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

October 3, 2025 and September 27, 2024
(In thousands)

the asset at the end of the lease term; rather, short-term leases will continue to be recorded on a straight-line basis over the lease term.

The following table summarizes the operating lease right-of-use assets and operating lease liabilities for the years ended:

	October 3, 2025	September 27, 2024
Operating lease right-of-use assets	\$ 17,036	\$ 26,229
Operating lease liabilities:		
Current	8,098	8,571
Long-term	10,864	20,661
Total operating lease liabilities	\$ 18,962	\$ 29,232

The Company incurred \$9,093 and \$9,237 of operating lease rent expense during the years ended October 3, 2025 and September 27, 2024, respectively.

Cash paid for amounts included in the measurement of lease liabilities for operating cash flows from operating leases was \$9,221 and \$9,548 for the years ended October 3, 2025 and September 27, 2024, respectively.

The right-of-use assets and lease liabilities were calculated using a weighted average discount rate of 3% with new leases utilizing a weighted average discount rate of 5.3%. As of October 3, 2025, the weighted average remaining lease term was three years.

The table below summarizes Noblis' scheduled future minimum lease payments for years ending after October 3, 2025:

Fiscal Year	Minimum Lease Payments
2026	\$ 8,680
2027	7,892
2028	1,721
2029	1,407
2030	344
Total lease payments	20,044
Less: present value discount	1,082
Total operating lease liability	18,962
Less: current portion	8,098
Long-term lease liability	\$ 10,864

Noblis, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

October 3, 2025 and September 27, 2024
(In thousands)

As of October 3, 2025, the Company had an additional operating lease that had not yet commenced with a potential operating lease liability of \$60.3 million. The operating lease has a lease term of 11 years and 10 months and will commence when the Company takes possession of the underlying asset, expected to be sometime in 2027.

Noblis rents office and other equipment under various operating leases expiring at various dates through September 2028. Approximate aggregate minimum rentals under such leases are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2026	\$ 1,735
2027	872
2028	290
2029	3
	<u>\$ 2,900</u>

NOTE L - COMMITMENTS AND CONTINGENCIES

Certain of Noblis' contract costs are subject to annual incurred cost audits by the U.S. Defense Contract Audit Agency ("DCAA"). The DCAA has performed audits of Noblis' indirect cost rates through fiscal year 2024 for Noblis, Inc. and Noblis MSD, LLC and fiscal year 2022 for Noblis ESI, LLC. Contract revenue has been recorded in amounts that are expected to be realized upon final settlement. The Company does not expect any material adjustments to result from outstanding audits.

Noblis is self-insured for health, and prescription costs. The estimated self-insurance liability is determined based on claims history. The health insurance liability for all plans was \$1,684 and \$1,718 at October 3, 2025 and September 27, 2024, respectively, and is included in accrued compensation and related expenses on the accompanying consolidated statements of financial position.

The Company is involved in various legal matters and proceedings arising in the ordinary course of business. While these matters and proceedings cause it to incur costs, including, but not limited to, attorneys' fees, the Company currently believes that any ultimate liability arising out of these matters and proceedings will not have a material adverse effect on the Company's financial position, results of operations, or cash flows.

NOTE M - SUBSEQUENT EVENTS

Noblis has evaluated subsequent events through December 19, 2025, which is the date the consolidated financial statements were available for issuance, and determined that there have been no events that have occurred that would require adjustments to our disclosures in the consolidated financial statements.

SUPPLEMENTAL INFORMATION

Noblis, Inc. and Subsidiaries

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

October 3, 2025		FY25	FY25
Federal Grantor Pass-Through Grantor/Program Title	ALN No./Contract Number	Federal Expenditures	Subrecipient
Major Program – Research and Development – Cluster			
U.S. Department of Justice			
FBI Supt for Biometric Research	16.47QFSA22F0144	\$ 69,031	\$ -
FBI Gunshot Residue	16.15PNIJ-23-GG-04222-MUMU	217,247	2,675
HandID Black Box	16.15PNIJ-24-GG-03846-NIJB	146,773	6,925
DNA ProbGen	16.15PNIJ-24-GG-03877-NIJB	89,280	-
Mountain Metal	16.Undisclosed	12,945,415	5,800,091
National Institute of Standards (NIST) Bullet Black Box Followon	16.70NANB23H011	104,391	-
Pass-through from Dorian/DOJ/CyWatch	16.DOR-SIAS-002-NOBLIS	2,830	-
Pass-through from FIU/NIST/Canine Black Box Study	16.783	24,710	-
		13,599,677	5,809,691
Department of Commerce			
Pass-through from KBR - NOAA/Space Weather Support	11.SMS0013594	1,048,957	-
		1,048,957	-
Other			
U.S. Postal Service/USPS Master Agreement	99.1BITSV-10-B-0021	617,635	-
U.S. Postal Service/2021 TMO Services	99.1BITSV-20-B-0002	6,323,008	-
IRS/IRS Unpostable Balance Analysis File Adjustment	99.2032H5-20-F-00028	8,242,401	231,599
IRS / CiNT Ops Prog Mgmt	99.2032H5-25-F-00125	281,386	-
Pass-through from Maximus/IRS IT Sec Implementation	99.S18-47QTCK18D0044	2,282,469	-
Pass-through from August Schell / IRS Cyber Solutions Development(CSD) Data Acquisition Support	99.August-Schell-01-NoblisTM	220,060	-
Pass-through from Corner Alliance/IRS Contact Center Support Division (CCSD) Metrics - CA	99.CA-Noblis-IRS-00790	262,800	-
Pass-through from Covenant Technologies/IRS EIS Program Support	99.Covenant-Noblis-IRS-UNS-24C000	90,845	-
Pass-through from Peraton / IRS CCSD	99.PO-0061786	521,619	-
Pass-through from Maximus / IRS CSD Bridge	99.S25-208065-2032H5-25-F-00106-N	1,499,362	-
		20,341,585	231,599
Undisclosed			
National Reconnaissance Office/Undisclosed	99-Classified	10,067	-
USGC/Undisclosed	99- Undisclosed	19,866,210	9,443,497
USGC/Undisclosed	99- Undisclosed	368,040	41,833
Pass-through from Accenture/Undisclosed	99-C.S001050	401,776	-
Pass-through from Raytheon/Undisclosed	99-C.4400594063	85,113	-
Pass-through from Raytheon/Undisclosed	99-C.4400598116	198,367	-
		20,929,573	9,485,330
TOTAL		\$ 231,861,398	\$ 89,614,696

See accompanying notes to schedule of expenditures of federal awards.

Noblis, Inc. and Subsidiaries

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended October 3, 2025

NOTE A - BUSINESS AND ORGANIZATION

Noblis, Inc. ("Noblis") was incorporated on December 11, 1995 under the laws of the State of Delaware and commenced business on January 29, 1996. Noblis is a nonprofit, nonstock company organized under the provisions of Section 501(c)(3) of the Internal Revenue Code. Noblis performs research, development and engineering services of a scientific nature in the public interest principally to agencies of the U.S. government and state and local governments.

NOTE B - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Noblis and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic consolidated financial statements.

Noblis generally operates under cost-type and time and material contracts with its federal sponsors and records costs as the effort is expended. Contract costs are recorded on the basis of direct costs, overhead and general and administrative expenses incurred. Indirect costs are allocated on the basis of direct labor cost incurred.

NOTE C - RESEARCH AND DEVELOPMENT PROGRAM CLUSTER

Noblis has determined all of its federal contracts constitute a research and development program cluster. Accordingly, the accompanying schedule of expenditures of federal awards reflects all of its federal contracts as a research and development program cluster.

NOTE D - GOVERNMENT FURNISHED EQUIPMENT

In addition to equipment acquired by Noblis, which is included in the accompanying consolidated statements of financial position, Noblis also uses certain government furnished equipment for which it is accountable to the U.S. government.

NOTE E - INDIRECT COST RATE

The Company has elected not to use the 15% de minimis cost rate provided for in Subpart E, Section 200.414 of the Uniform Guidance.

NOTE F - ASSISTANCE LISTING NUMBERS

Assistance listing numbers are not provided for each contract listed on the schedule of expenditures of federal awards. Therefore, the agreement numbers were used.

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Noblis, Inc. and Subsidiaries

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the consolidated financial statements of Noblis, Inc. and subsidiaries (the "Entity"), which comprise the consolidated statement of financial position as of October 3, 2025, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 19, 2025.

Report on internal control over financial reporting

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

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

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

Report on compliance and other matters

As part of obtaining reasonable assurance about whether the Entity's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this report

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

Grant Thornton LLP

Arlington, Virginia
December 19, 2025

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Noblis, Inc., and Subsidiaries

Report on compliance for each major federal program

Opinion on each major federal program

We have audited the compliance of Noblis, Inc. and subsidiaries (the “Entity”) with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Entity’s major federal programs for the year ended October 3, 2025. The Entity’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Entity complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended October 3, 2025.

Basis for opinion on each major federal program

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

We are required to be independent of the Entity 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Entity’s compliance with the compliance requirements referred to above.

Responsibilities of management for compliance

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

Auditor's responsibilities for the audit of compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Entity's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Entity's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on internal control over compliance

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

material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance

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

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

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

Grant Thornton LLP

Arlington, Virginia
December 19, 2025

Noblis, Inc. and Subsidiaries

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended October 3, 2025

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

- 1. Type of auditors' report issued: Unmodified
- 2. Internal control over financial reporting:
 - a. Material weaknesses identified? No
 - b. Significant deficiencies identified not considered to be material weaknesses? None reported
- 3. Noncompliance material to the financial statements noted? No

Federal Awards

- 1. Internal control over the major program:
 - a. Material weaknesses identified? No
 - b. Significant deficiencies identified not considered to be material weaknesses? None reported
- 2. Type of auditors' report issued on compliance for major program: Unmodified
- 3. Any audit findings disclosed that are required to be reported in accordance Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award? No
- 4. Identification of major program:

Name of Federal Program or Cluster

Research and Development Cluster

Assistance
Listing
Numbers

Various

- 5. Dollar threshold used to distinguish between Type A and B \$3,000,000
- 6. Auditee qualified as low-risk auditee? Yes

SECTION II - FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None reported.