

Ahtna

2025

ANNUAL REPORT



* MISSION *

Wise stewardship of Ahtna lands and responsible economic growth for future generations of Ahtna people.

* VISION *

Our culture unites us,
Our land sustains us,
Our people are prosperous.

* VALUES *

Respect — We appreciate our connectedness to all

Unity — We are One Team, One Ahtna

Safety — Safety first, the right way, everyday

Quality — We exceed expectations through excellence

Integrity — We do the right thing

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LEADERSHIP *

BOARD OF DIRECTORS



Clint Marshall
Chair



Nicholas Jackson
Vice Chair



Cecil Sanford
Secretary



Susan Taylor
Treasurer



Lucille Lincoln



Ken Johns



Karen Linnell



Linda Pete



Jessica Denny



Grant Rebne



Jason Hart



Felicia Ewan



Aaron Miller

SENIOR MANAGEMENT TEAM



Michelle Anderson
President



Paul Fioravanti
Interim CEO



Kathryn Martin
Senior VP



Matt Tisher
CFO & VP of Finance



Roy J. Tansy Jr.
COO



Brian Robbins
VP of IT



Pamela Finnesand
VP SBA Compliance,
ITPSO



Jason McCart
VP of Proposals &
Pricing



Tim Lorenzini
Director of Land and
Natural Resources

SUBSIDIARY PRESIDENTS



Brenda Rebne
President, AISH, AFSI,
APSI, AKHI, ATSL,
AISL, and ASGS



David O'Donnell
President, AC&PPC,
AAA Valley Gravel,
and AMCC



Kevin Bergt
President, ADH, AES,
AEI, AGL, AIT, ASL,
ABL, BEL, and RMS



Ali Tabatabai
President, Link and
AIMI



Sky Siemers
President, AFH, ADB,
AGSC, and AUSA



* SHAREHOLDER BENEFITS

As an Alaska Native Corporation, Ahtna, Inc. carries a responsibility entrusted by past generations: to protect, preserve, and provide for current and future shareholders. Guided by our values, we continue to enrich lives through financial support, cultural preservation, land stewardship, and education and employment opportunities that ensure our people thrive for generations to come.

OUR PEOPLE ARE PROSPEROUS

Over the past five years, Ahtna has invested \$174 million into shareholder benefits, a testament to our commitment to prosperity. These benefits take many forms, each designed to strengthen families, empower individuals, and honor our Elders.

Dividends are one of the most visible ways Ahtna supports economic well-being. Since 2009, annual dividends have been distributed, and in 2025 shareholders received three dividends, including a special dividend, totaling \$4.1 million. For our Elders, who hold the wisdom of generations, Ahtna provides additional support through the Elder Benefit Program. In 2025, quarterly distributions of \$1,000 each, totaling nearly \$1.2 million, were distributed to our Elders. These programs reflect our deep respect for those who have carried our traditions forward.

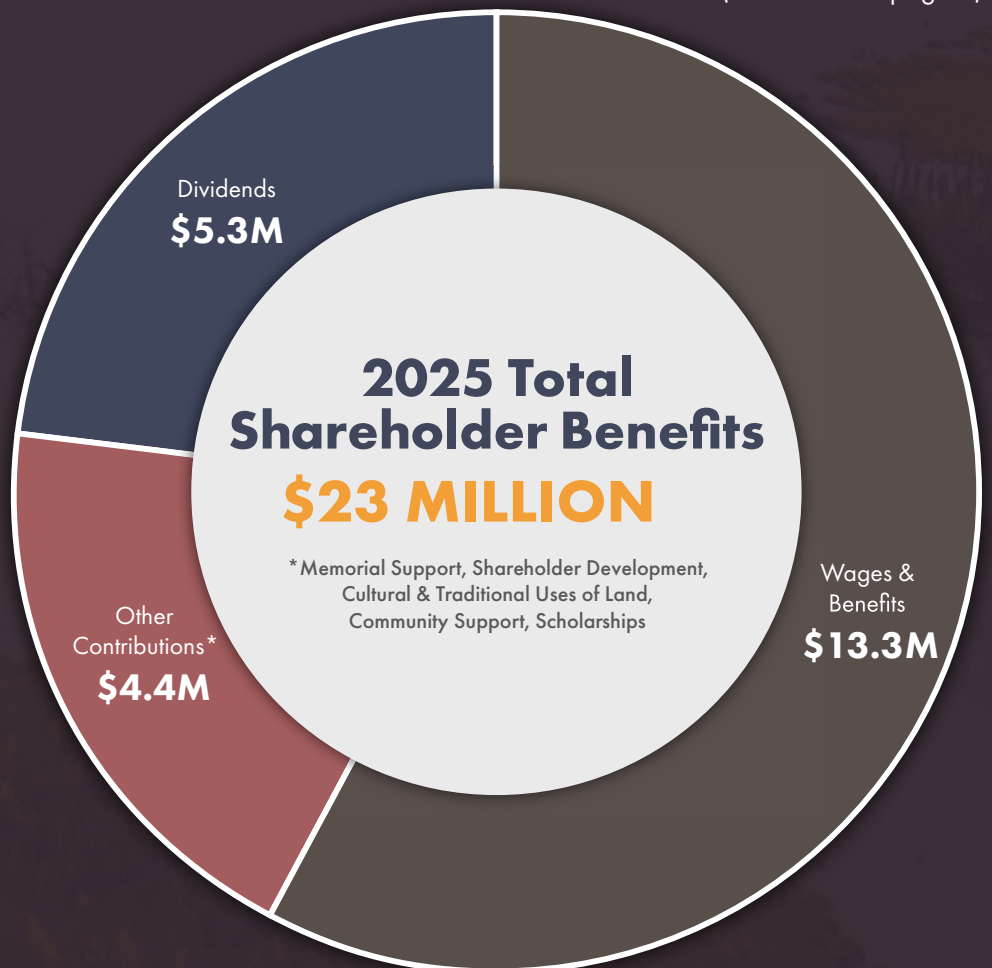
Employment is another cornerstone of prosperity. Ahtna prioritizes shareholder hire, ensuring that opportunities remain within our communities. In 2025, wages and benefits paid to shareholders exceeded \$13 million. Programs like Career PATH and H.O.P.E. (Helping Our People Excel) provide mentorship, training, and direct employment opportunities, helping shareholders build careers within the Ahtna family of companies. These initiatives are not just about jobs; they are about creating pathways for long-term success.

Education is equally vital. Through the Walter Charley Memorial Scholarships (WCMS), Ahtna honors a beloved leader who championed heritage and wisdom. In 2025, Ahtna awarded a total of \$663,000 in WCMS college scholarships. This included 85 recipients during the Spring 2025 semester and 104 recipients during the Fall 2025 semester, reflecting significant growth in demand for higher education support. Additional scholarships support vocational training and upper-level college students pursuing careers aligned with Ahtna's business fields. Together, these programs ensure that our youth have the tools to succeed while staying connected to their heritage.

Highlights of Ahtna's investment in our people:

- Shareholder Dividends: Since 2009, Ahtna has distributed annual dividends. In 2025, three dividends (including a special dividend) were declared, totaling over \$4.1 million.
- Elder Benefit Program: To honor and support our Elders, quarterly dividends of \$1,000 each (\$4,000 per Elder) were distributed in 2025, totaling \$1.2 million.
- Shareholder Hire: Ahtna prioritizes shareholder employment, paying out more than \$13 million in wages and benefits in 2025.

(Continued on page 4)



SHAREHOLDER BENEFITS - Continued from page 3

- H.O.P.E. Program: With a Board allocation of \$1 million in 2025, this program helps shareholders gain employment and valuable work experience.
- Walter Charley Memorial Scholarships: 189 scholarships totaling \$663,000 in 2025.
- Vocational Scholarships: Supported 19 shareholders with \$162,000 in 2025.
- Internship Program: Supported by over \$100,000 in 2025 to deliver practical, on-the-job experience for shareholders.
- Village-Based Hire: \$49,000 allocated to village employment programs in 2025.
- Career Assistance: Over \$55,000 provided to shareholders for training and job preparation.
- Graduate Recognition: Gifts totaling \$25,000 were awarded to graduates of high school, college, vocational, and graduate programs.

OUR LAND SUSTAINS US

While financial and employment benefits are critical, Ahtna's greatest strength is its culture and the deep sense of community that connects our people. Ahtna provides meaningful support to Villages, Tribes, and churches each year, helping strengthen community programs and honoring the traditions that unite us. Preserving and celebrating our heritage is central to everything we do.

In recent years, Ahtna published a history book that shares ancestral stories and teachings with shareholders, ensuring that our people remain connected to the wisdom of past generations. In partnership with Wrangell–St. Elias National Park and Preserve, the Ahtna Cultural Center (C'ek'aedi Hwnax "Legacy House") provides a space where visitors and shareholders can learn about Athabascan history, language, and traditions. Exhibits, including a hand-built fish wheel and food cache, bring our culture to life. The Cultural Center is staffed each summer by Ahtna shareholders who share their knowledge and heritage with guests.

Highlights of Ahtna's investment in our land:

- Land Stewardship: \$2.1 million allocated in 2025 to protect lands and enhance traditional uses.
- Shareholder Benefits: Free permits for firewood, house logs, and gravel.

OUR CULTURE UNITES US

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Highlights of Ahtna's investment in our culture:

- Community Support: Annual contributions of at least \$15,000 to each Tribe, plus support for nonprofits, churches, and community events.
- Memorial Fund: Provided \$219,000 in tax-free support to families in 2025.
- Ahtna History Book: Complimentary copies were sent to shareholders to honor ancestral teachings.
- Ahtna Cultural Center (ACC): Reopened in partnership with Wrangell–St. Elias National Park, the Cultural Center offers exhibits and cultural experiences and is staffed each summer by Ahtna shareholders who share their knowledge and heritage with visitors.
- Culture Camps: Ahtna supports Ahtna Culture Camps, where Elders share precious time and knowledge with youth and others in the region. These are opportunities to pass on historical stories and folklore, traditional knowledge, subsistence practices, and Athabascan language lessons.
- Youth & Elders Conference: Contributions to the First Alaskans Institute event ensure wisdom is passed to future generations.

A LEGACY OF CARE

Every program, from dividends to scholarships, from land stewardship to cultural preservation, reflects Ahtna's enduring commitment to its shareholders. We are not driven solely by profitability, but by a vision of prosperity that encompasses economic opportunity, cultural identity, and community strength.

By investing in our people, protecting our lands, and honoring our culture, Ahtna ensures that shareholders not just survive – they will thrive. This is our legacy, our responsibility, and our promise.



A MESSAGE FROM THE AHTNA, INC. CHAIR



Clint Marshall,
Chair

Dear fellow shareholders,

When the shareholder dividend announced last fall fell short of expectations, the Ahtna, Inc. Board had already been engaged for several months in a focused effort to bring about meaningful change. We heard your concerns clearly and recognized that our response needed to reflect accountability, transparency and real progress – not offer explanations without action. I am pleased to share that the steps taken throughout 2025 are placing our Corporation on a stronger path toward the prosperity we all seek.

Your Board has advanced several important initiatives to strengthen Ahtna's long term position. In June 2025, we began a search for executive leadership to support growth within Ahtna Netiyé'. By late summer, the Board selected Paul Fioravanti to serve as Interim Chief Executive Officer. His leadership has brought renewed direction and a clear operational focus.

The Board also made a significant structural adjustment by suspending the Ahtna Netiyé' Executive Committee, a seven member group which had been responsible for overseeing the Corporation's primary business activities. Instead of delegating this responsibility to a portion of the Board, all thirteen directors assumed direct oversight. This change improved collaboration, increased transparency, and allowed decisions to be made more quickly and with greater alignment.

To continue improving efficiency, the Board asked Ahtna's Executive Leadership to review the organizational structure and recommend adjustments that would strengthen performance.

After careful evaluation, the Board approved changes that are now being implemented. This restructuring is intended to streamline operations, reduce costs, and sharpen our focus on business success.

These efforts required dedication from the Board, Executive Leadership, and employees across the Corporation. On behalf of the Board, I extend sincere appreciation to everyone who contributed their time and expertise. I am proud of how this Board – and the teams supporting it – worked together through numerous special meetings and discussions to guide Ahtna toward a more resilient future.

Meaningful change takes time, and your Board understands that it is essential. We are committed to this work, knowing that prosperity will be built through continuous effort, discipline, and adaptability in an increasingly complex world. Several months into this process, we anticipate further refinements as we continue strengthening our operations while remaining grounded in our values. Protecting our lands, resources, and the cultural and traditional principles of our shareholders remains central to every decision we make as we work toward a stronger future for Ahtna.

Tsin'aen,

A handwritten signature in black ink that reads "Clint Marshall". The signature is fluid and cursive.

Clint Marshall, Board Chair



A MESSAGE FROM THE AHTNA, INC. PRESIDENT



Michelle Anderson,
President

To my fellow shareholders,

This past year brought an important affirmation of the rights that our Elders and leaders have fought to protect for generations. In January, the United States Supreme Court declined to hear the State of Alaska's challenge to long-standing federal subsistence protections. This decision leaves intact decades of precedence, confirming that the federal government has a responsibility under ANILCA to ensure a rural subsistence priority on navigable waters connected to federal lands.

For Ahtna, this outcome is deeply meaningful and personal. The legal framework upheld by the U.S. Supreme Court traces back to the landmark Katie John cases, which began in 1984 when Ahtna Elder Katie John sought to protect her family's right to fish where she had always fished. The U.S. Supreme Court's refusal to reopen this issue honors Katie John's legacy and the work of many Ahtna Elders who dedicated their lives to safeguarding our hunting and fishing rights.

The ruling also reinforces that effective fishery management must respect federal law and the subsistence needs of rural communities, especially during times of scarcity. It does not prevent collaboration among the state, federal agencies, Native Corporations, or Tribes. Instead, it underscores that cooperation must be grounded in consultation, science, and respect for Indigenous knowledge and ways of life.

We are grateful to the many partners who stood with us in this case, including Ahtna Tene Nené, the Alaska Federation of Natives, the Kuskokwim River Inter-Tribal Fish Commission, and the Association of Village Council Presidents. Their commitment reflects the shared responsibility we carry to protect the resources that sustain our people.

In 2025, Ahtna continued to honor our responsibility to protect, preserve, and provide for our people. This past year, we invested more than \$23 million in programs that strengthen prosperity, culture, and land stewardship. These investments included \$4.1 million in dividends, \$1.2 million in Elder benefits, more than \$13 million in shareholder wages and benefits, and over \$834,000 in educational scholarships. We also advanced career development through the PATH, H.O.P.E., internship, and village-based employment programs, ensuring that shareholders have meaningful opportunities to build their skills and pursue long-term careers.

Stewardship of our 1.58 million acres remained a core priority in 2025. Ahtna invested \$2.1 million in protecting our lands and supporting customary and traditional uses. We continued to strengthen cultural connections through community support, including funding for villages, churches, the Ahtna Cultural Center, and culture camps. These efforts help ensure that our lands, culture, and identity remain strong for generations to come.



As we look ahead, I encourage all shareholders to take advantage of the many resources available through Ahtna. Keeping your contact information current ensures that you receive dividends, benefit updates, and materials for the annual meeting. Signing up for direct deposit is the fastest and most secure way to receive payments. Our Shareholder Services team in Glennallen is always ready to assist with records, forms, and the memorial benefit program.

I also want to highlight the importance of having a Testamentary Disposition on file. This simple step ensures that your shares are passed on according to your wishes and provides peace of mind for you and your family. Shareholders who complete a Testamentary Disposition are entered into our twice-yearly drawings for a \$1,000 prize pool.

Ahtna Class L stock remains an important opportunity for descendants born after December 18, 1971 who meet eligibility requirements. Class L shareholders receive shares, dividends, voting rights, and access to scholarships, career assistance, and shareholder hire preference. Please encourage eligible family members to enroll so they can stay connected to Ahtna and benefit from the programs we offer.

Our Board of Directors continues to invest in shareholder success through the HOPE Program, which supports employment readiness and career advancement. This includes the Ahtna Internship Program, the National Park Service Cultural Center internships, the Walter Charley Memorial Scholarship, the Ahtna Vocational Scholarship, and the Career Assistance Program.

These programs help shareholders gain valuable experience, pursue higher education, and overcome barriers to employment. For those entering the workforce or seeking administrative roles, the PATH Program provides training and hands-on experience within the Ahtna family of companies.

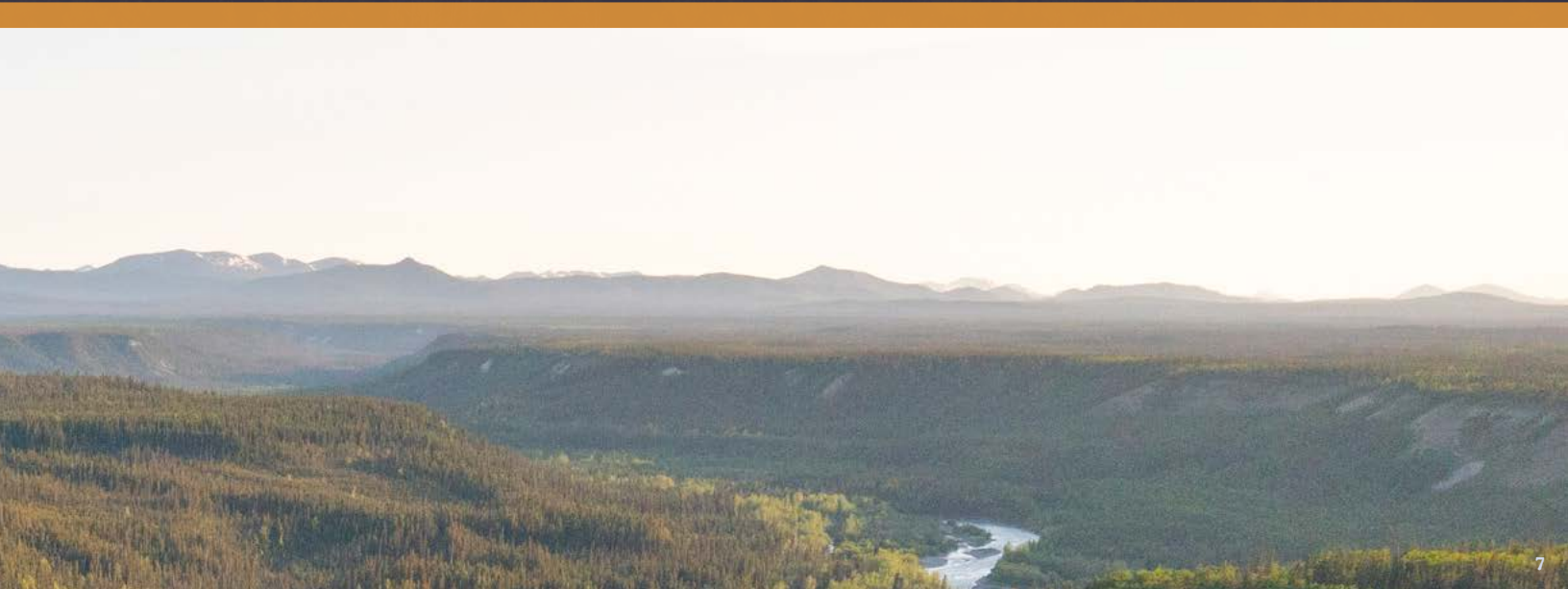
I am proud of the many opportunities available to shareholders and grateful for the dedication of our Shareholder Enrichment staff, who work every day to help our people succeed. I encourage anyone seeking education, training, or career support to reach out and take advantage of these resources.

Ahtna's mission is rooted in the strength of our people, our culture, and our lands. By working together and investing in future generations, we continue to fulfill our ANCSA mandate and create lasting value for our shareholders. Thank you for your continued trust and support as we move forward with our shared vision: Our culture unites us, our land sustains us, our people are prosperous.

Tsin'aen,



Michelle Anderson, President



A MESSAGE FROM THE AHTNA, INC. CEO



Paul Fioravanti,
Interim CEO

Dear Ahtna shareholders,

Ahtna is at a defining moment. The challenges of the past year have made it clear that legacy approaches are no longer sufficient in a highly competitive and evolving market. In response, we are undertaking a focused transformation to strengthen financial performance, improve operational discipline, and position the enterprise for long-term success—while honoring the resilience and legacy of Ahtna shareholders.

A Clear-Eyed View

2025 was a difficult year. Several operating units missed forecasts, and overall performance fell short of expectations. These shortfalls highlighted structural inefficiencies, elevated overhead costs, and inconsistent project execution. Most importantly, underperforming projects offset gains from strong performers. The takeaway is simple: profitability—not just revenue—must be our standard. We don't need the practice, we need the profit.

Taking Action

We have begun a deliberate, phased transformation that is already generating measurable results, including millions in cost savings. Key actions include restructuring subsidiaries to better align capabilities, sharpening business development efforts, and strengthening leadership across the organization.

We are actively building a more disciplined leadership model, filling critical roles in business development, procurement, supply chain, and project controls, while reassessing legacy roles to ensure alignment with future priorities. At the same time, our HR function is being streamlined to reduce low-value spending, improve responsiveness, and better support business needs.

Strengthening Discipline

Financial oversight and governance are being reinforced through audits, reviews, and tighter controls. We are enhancing risk management and optimizing costs through improved insurance strategies, benefits alignment, and asset utilization.

Operational discipline is a major focus. We are implementing stronger project controls, more rigorous bid reviews, and clearer accountability standards. Going forward, we will pursue work that creates value—and step away from work that does not.

Building a Unified Growth Engine

A recent Business Development Summit highlighted the need to shift from a reactive to a proactive growth model. We are building an integrated approach across capture, business development, marketing, and proposals, designed to actively shape and win opportunities rather than wait for them.



In parallel, a Procurement and Supply Chain Summit is driving efforts to centralize purchasing, reduce costs, and improve vendor performance. We have also launched an Advisory Council to bring external expertise into our strategic decision-making and growth strategy.

The Three-Phase Transformation Plan

Our transformation is structured across three clear phases:

Phase 1: Structural Alignment (Current Phase)

This phase focuses on stabilizing the enterprise and creating a strong foundation. Actions include consolidating portfolios, realigning subsidiaries, strengthening shared services, and conducting enterprise-wide functional reviews. The goal is to eliminate inefficiencies, reduce costs, and align resources with strategic priorities.

Phase 2: Leadership and Market Expansion

In this phase, we will build the leadership infrastructure required for disciplined growth. This includes strengthening capture and business development capabilities, expanding into key U.S. markets such as Tampa, Huntsville, and Austin, and launching updated branding and digital strategies. The focus is on creating a coordinated, proactive growth engine that consistently wins profitable work.

Phase 3: Diversification and Higher-Margin Growth

The final phase centers on long-term value creation. We will reduce reliance on lower-margin construction work and expand into higher-growth sectors such as artificial intelligence (AI), cybersecurity, and data services. This phase positions Ahtna to compete in more resilient and higher-margin markets while building a more balanced and sustainable portfolio.

The Path Forward

Our financial goal is clear: increase Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) by \$15–\$23 million in FY2026 while maintaining a minimum 8% performance standard. Achieving this will require discipline, accountability, and a willingness to change.

Looking ahead, Ahtna will be a more focused, proactive, and profitable enterprise—one that creates—rather than waits—for opportunity. This transformation will require commitment from all of us, but it will ultimately position Ahtna for a stronger and more sustainable future.

Respectfully,



Paul Fioravanti, MBA, MPA, CTP, Interim Chief Executive Officer



YEARLY REPORT LAND & RESOURCES ❁

NATURAL RESOURCES

For the past few years, Ahtna's Natural Resources Team has been working with Ahtna Intertribal Resource Commission (AITRC), Texas A&M University, Dartmouth College, and University of Alaska Fairbanks to gather information that will help assess the health of moose in the Ahtna region and identify potential harmful effects to those who consume them. In 2025, the team completed data collection for the overall project. Natural Resource staff collected samples from 34 moose that year, with 26 of those samples obtained from harvests in August and September and 8 samples from roadkill, ceremonial, or educational harvests. Data analysis is underway and is playing a significant role in the progression of Tamra Jones' Master of Natural Resource degree program.

This data could be important because if moose samples showed harmful levels of contaminants, it could indicate point source pollution. Moose in poor health could lead to population issues over time. Understanding the levels of specific elements in moose may also lead to recommendations for those who consume moose regularly. So far, the data suggests that contaminants are not a significant concern for moose in the Ahtna region.

The Ahtna Land Department extends its gratitude to everyone who donated samples throughout the project. We look forward to sharing the findings once the data has been analyzed.



Berms and boulders are effective at preventing traffic in unapproved areas.

LAND PROTECTION

The Ahtna Land Department is developing increasingly effective strategies to address trespass on Ahtna's lands. Ahtna invests in multiple deterrent methods, from using locally sourced materials such as berms and boulders to installing welded gates. These investments create clear land boundary delineations and make trespass more difficult. Locked gates provide Ahtna the flexibility to manage and control access; shareholders may request entry through the Land Department.

In some cases, stopping all traffic is impossible. In these cases, we work to make trespass more challenging to dissuade attempts. For those who choose to find a means around an obstacle, we have deployed remote-activated cameras monitored by our staff. This helps us determine who is at fault and educates the team about methods that could be used in the future to reduce or prevent trespass.

The fact that cameras are being used is sometimes deterrent enough to correct contractor and public behavior. For example, our Land Protection Officers (LPOs) compared photos of gravel contractors leaving a borrow pit to what the contractors paid for in their contracts. This past year contractor use aligned with contract terms.

This team is dedicated to finding ways to continue protecting Ahtna's lands and resources.



Samples from multiple moose including kidney, blood, liver, meat, and hair.



The Milepost 101 Tok Cutoff Gravel Pit is an Ahtna material site that the State of Alaska utilizes for transportation uses. Ahtna recently dedicated a portion of this site for a campground to help control use in the area.

PERMIT ADMINISTRATION

The Land Department Administration Team created a Permit Look Up Tool which allows LPOs to look up permit status in the field. This helps improve customer service and strengthen positive relationships between Ahtna and those who follow our land use policies.

This team also assists with a variety of administrative tasks, such as helping shareholders with Merger Land Use Program (MLUP) selections, researching permit requests, recordkeeping, internal training, administering grants, and much more. Borrow pit management is also an important responsibility of this team, ensuring that Ahtna's resources provide maximum benefit to shareholders.



Ahtna's Land Department installed new informational kiosks this summer to support responsible land use and reduce trespass on Ahtna lands.

CULTURAL RESOURCES

Ahtna's Cultural Resources Team is dedicated to maintaining and expanding the cultural resource catalogue. This internally-controlled data source ensures that Ahtna's rich cultural history is documented, maintained, and structured for future generations. This team works with the Ahtna Cultural Center, which is co-located with Wrangell-St. Elias National Park and Preserve, on the collection, preservation, and interpretation of artifacts.

A primary responsibility of this team is to respond to consultation requests when Ahtna's cultural resources are at stake. State and federal legal protections provide Ahtna with tools to address potential negative impacts from development.

A secondary responsibility of this team is to assist Ahtna with any development activities outlined in our plans. Preventing further erosion at Haley Creek is a recent example of Ahtna guiding the engineering of project plans in a manner that met regulatory requirements while still achieving the project's primary objectives. These are often complicated issues that can dictate the success of land management goals.



Mesa point, lanceolate shaped bifacial of rhyolite material. Found on Ahtna lands on the Ancient Lake Ahtna shoreline at Windy Ridge in 2018. Associated with sites approximately 8,000-10,000 years ago.



YEARLY REPORT SHAREHOLDER ENRICHMENT



Ahtna staff connecting with shareholders, spouses, and descendants at the Hot Jobs & Hot Dogs event. It is a great opportunity to visit with Ahtna Human Resources and hiring managers while enjoying some delicious hot dogs.

In 2025, the Board continued its strong commitment to supporting the **H.O.P.E.** (Helping Our People Excel) programs. These programs remain focused on expanding shareholder employment opportunities by offering comprehensive support services, including professional resume development, career and technical training, trade and union pathways, and educational scholarships. The central mission of H.O.P.E. is unwavering-restoring hope and empowering shareholders who may be facing challenges or barriers in their employment journey

In 2025, the **Walter Charley Memorial Scholarship** (WCMS) Program continued its strong support of shareholder academic success, awarding a total of \$662,000 in scholarships. This included 85 recipients during the Spring 2025 semester and 104 recipients during the Fall 2025 semester, reflecting significant growth in demand for higher education support. Due to this increased participation, the program exceeded its annual budget. Through the reallocation of resources, all recipients were fully funded, demonstrating the Board's commitment to meeting shareholder needs and ensuring students are not turned away from pursuing their educational goals.

WCMS recipients pursued a wide range of degree paths this year, including Aerospace, Alaska Native Business Studies, Marketing, Aviation, Biochemistry, Business, Computer Engineering, Cybersecurity, Engineering, Pre Law, Kinesiology, Nursing, Natural Resources, Occupational Safety and Health, Psychology, Rural Development, and more. The academic performance of our students remained strong, with an average GPA above 3.4. The number of applications increases each semester, reflecting growing awareness of and reliance on WCMS as a vital educational resource for Ahtna shareholders.

The **Ahtna Vocational Scholarship** provides funding for vocational and trade schools, such as Heavy Equipment Operator, Commercial Driver's License (CDL), Cosmetology, HVAC/refrigeration, Painting, Emergency Trauma Technician, Electrical Engineer, and Veterinarian Technician. Ahtna supported 19 shareholders in 2025 with a total of \$163,000 in Vocational Scholarship awards.

The **Ahtna Certificate Scholarship** provides direct tuition assistance for certificates in Ahtna Language, Alaska Native Business Studies and Occupational endorsements. We awarded eight shareholders with the Ahtna Certificate Scholarship in 2025.

The **Ahtna Intern Program** employed three Ahtna shareholder interns; two Ahtna Construction interns funded by the Alaska Native Utilization Agreement, and one intern based in Glennallen. The program gives college students hands-on experience and an insider's view into the corporate departments and subsidiary operations. Past participants have also been engaged in field projects and trips to the region to learn about Ahtna lands, history, and culture. These experiences build participant resumes with the skills and knowledge they will need in their careers.



Some of our 2025 Ahtna summer interns.

The **Career Assistance Program** continues to support shareholders in overcoming barriers to employment and advancing their professional goals. In 2025, the program assisted 93 shareholders through a combination of program funding and coordination with outside grant resources. A total of \$56,000 in program funds was awarded to help shareholders prepare for employment, improve job readiness, and pursue occupational training.

Funding supported a wide range of needs, including licensing fees, preemployment training, work clothing and gear, professional and safety certifications, rent assistance, childcare, and other items essential for successful employment. Demand for Career Assistance continues to grow each year as shareholders seek opportunities to strengthen their skills, enter the workforce, or advance in their careers.

The **Village Based Shareholder Employment Program** has two purposes: provide wages for community projects that the villages would like to do, and provide work experience shareholders can add to their resumes. Through this program, shareholders were able to demonstrate continued work commitment and experience to prospective employers. The program has provided several shareholders the work experience needed to allow them to transition to full-time or steady work. Three villages received funds in 2025 totaling \$49,000.

The **Ahtna Cultural Center (ACC), C'ek'aedi Hwnax 'Legacy House'** reopened in 2022 through a partnership between Ahtna, Incorporated and America's largest national park, Wrangell-St. Elias National Park and Preserve. Six Ahtna shareholders, including a supervisor and five interns, were hired in 2025 to manage the ACC day-to-day operations and answer visitor questions during the summer season.

The ACC provides an opportunity to learn and connect with Ahtna Dene history, culture and people through Alaska Native exhibits, a hand-built fish wheel, a food cache, and museum. The intern program helps participants learn about Ahtna culture and participate in cultural events. Interns also explore local career opportunities and receive outdoor leadership training to prepare them for spending time out on the land.

Professional resume services were provided to over 35 shareholders in 2025. This program also helps with drafting cover letters, creating LinkedIn profiles, and engaging in interviews. Ahtna promotes career opportunities inside and outside the Ahtna family of companies. Total funding for these programs in 2025 was \$8,000. Shareholder Enrichment has also begun utilizing AI tools to help shareholders update their resumes, enabling them to highlight their skills and fully capture relevant experience.

The **Ahtna Graduate Gift Program** offers awards for achievements such as high school graduation, GED completion, undergraduate and graduate college degrees, and certificate of journeyman status in trade programs. In 2025, gifts totaling \$25,000 were awarded for the following achievements: 32 high school diplomas, 3 associate degrees, 5 bachelor's degrees, 3 master's degrees and 2 doctorate degrees.

As the Ahtna family of companies continues to grow, so does the need for qualified shareholders prepared to step into new and evolving career opportunities. In 2025, Shareholder Enrichment strengthened its efforts to help shareholders enter the workforce by providing personalized employment support, barrier removal resources, and hands on guidance through every stage of the job-seeking process.

This year, our team provided direct support to shareholders seeking employment by assisting with professional resumes, job applications, interview preparation, and career planning. We worked closely with Ahtna Human Resources and hiring managers to connect shareholders to open positions across the Ahtna companies, ensuring candidates were informed, prepared, and supported throughout the hiring process. Many shareholders also received help overcoming barriers to employment—such as securing work gear, certifications, transportation, and licensing—allowing them to begin work or advance into higher-level roles.

Beyond internal job placements, Shareholder Enrichment expanded partnerships with Village Councils, the Copper River Native Association (CRNA), Cook Inlet Tribal Council (CITC), and other regional agencies to help shareholders access additional training resources, grants, and employment services. These collaborations helped shareholders build the skills, credentials, and confidence needed to succeed in their chosen fields.

Shareholder Enrichment remains committed to empowering Ahtna shareholders to pursue meaningful careers and long-term self-sufficiency. Through continued training, education, and employment support, we look forward to creating even more pathways for shareholders to build strong futures for themselves, their families, and their communities.

For more information on Shareholder Enrichment programs, please visit www.ahtna.com/hope.

THE AHTNA STRATEGY USING THE *BALANCED SCORECARD APPROACH

Ahtna continues to use and evolve the Balanced Scorecard approach to measure our performance in executing strategic priorities. The Balanced Scorecard underpins our performance management framework, measuring progress against goals and metrics that were identified by the Board of Directors in our strategic plan. This approach aligns our goals within four perspectives: Land & Natural Resources, Shareholders, Financial, and Operational Learning & Growth (people). The goals within each perspective create a foundation for the next, ensuring that we create efficiency and enhance execution of our strategic goals. We also map these goals to ensure that our focus is aligned with Ahtna's Vision: OUR CULTURE UNITES US, OUR LAND SUSTAINS US, OUR PEOPLE ARE PROSPEROUS.

We embarked on the current 5-year strategic plan for Ahtna in 2022. Overall, Team Ahtna's 2025 Balanced Scorecard metrics showed steady progress, predominantly meeting forecasted targets for the year. The results of those efforts can be found throughout this report, with goals and outcomes referenced in the Management Discussion and Analysis (MD&A).

Ahtna's strategic plan focuses on increasing profits; diversifying our portfolio; providing benefits to shareholders; protecting our land, customary and traditional hunting and fishing rights, and natural resources; and preparing shareholders for the next generation of leadership and management within the Company.

2022 - 2026 STRATEGIC GOALS

Land & Natural Resources:

- Responsibly Develop the Land & Natural Resources
- Protect Ahtna's Customary & Traditional Resources

Shareholders:

- Employ & Develop Shareholders
- Provide Benefits to Shareholders

Financial:

- Increase Shareholders' Equity to \$240 million

Operational Learning & Growth:

- Promote Responsible Strategic Growth
- Modernize & Evolve Operations

MANAGEMENT'S DISCUSSION & ANALYSIS ❁



Management's Discussion and Analysis (MD&A) provides additional information on the business and future plans of Ahtna, Inc. and Ahtna subsidiaries, including management's insight into financial results and factors that may affect future results. The MD&A should be read in conjunction with Ahtna's consolidated financial statements and accompanying notes. The MD&A contains forward-looking statements that are based upon information available to Ahtna as of the date this annual report is prepared. All statements related to the future operations and financial condition of the Corporation are subject to multiple factors and risks that could cause the actual results to vary materially from expectations. These statements should be evaluated with the understanding of this inherent uncertainty.

The Ahtna Family of Companies consists of 34 companies, with most operating under the Ahtna Netiyé, LLC holding company. Netiyé means "Our Strength" in Ahtna Athabascan.

COMPANY OVERVIEW

Ahtna, Inc. (Ahtna) was formed as an Alaska for-profit corporation under state law and the Alaska Native Claims Settlement Act of 1971 (ANCSA). ANCSA entitled Alaska Natives to approximately 44 million acres of land and cash totaling \$962,500,000. ANCSA established the Alaska Native Fund and thirteen regional corporations to receive and distribute this entitlement. Ahtna's portion of the ANCSA settlement included 1,770,000 acres of land in Alaska's Southcentral Interior and \$10,834,656 in cash. Today, Ahtna's business activities include government contracting, civil and vertical construction, eco-restoration, marine construction, dredging, asphalt and aggregate production, oil spill response, environmental remediation and consulting, facilities management and support services, food services, gravel sales, medical records services, janitorial services, oil and gas pipeline maintenance and construction, staff augmentation, surveying, demolition, design-build, equipment rentals, detention services, security, permitting, renovations, and training range operations.

Ahtna subsidiaries primarily provide services to the Federal Government but also serve many state and local governments and commercial customers. Ahtna has grouped its subsidiaries into four industry segments that are located in Alaska, Hawaii, and the contiguous United States: Government and Technical Contract Services, Construction and Pipeline Services, Resource Development, and Real Estate. Additionally, Ahtna's General and Administrative (G&A) group, which is primarily located in Alaska, provides corporate management and support functions for the Ahtna Family of Companies.

RESULTS OF OPERATIONS

Ahtna's 2025 financial results of operations decreased stockholder equity and the diversification of its business activities.

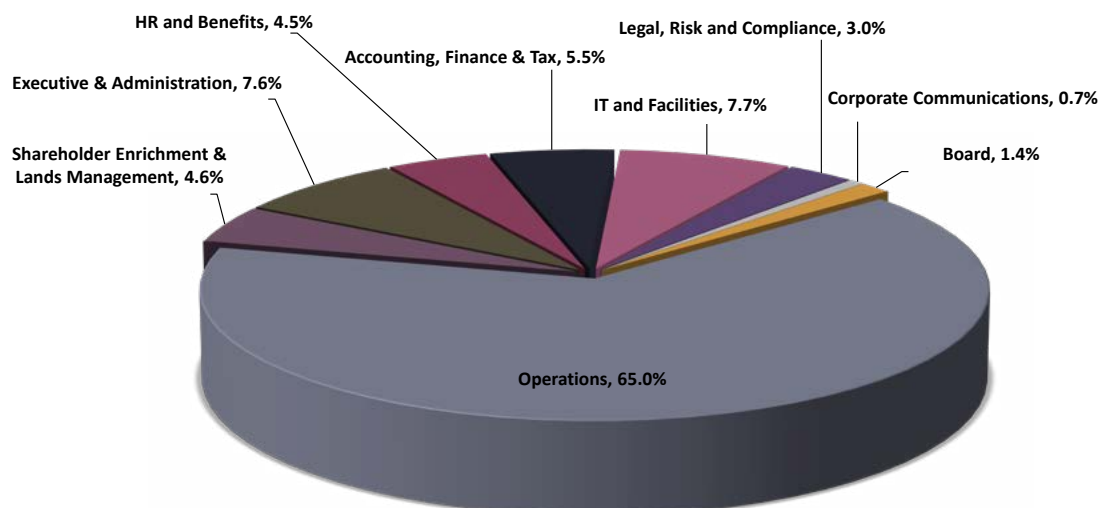
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Revenue	447,851,777	369,429,741	357,395,348
Cost of revenues	415,074,699	310,396,663	303,891,859
Gross income	<u>32,777,078</u>	<u>59,033,078</u>	<u>53,503,489</u>
Gross income margin percentage	7.3%	16.0%	15.0%
Operating Expenses	(58,939,412)	(56,904,426)	(50,725,819)
Other Income (expense)	13,885,133	7,412,034	5,494,679
Interest (expense)	(2,544,845)	(1,858,771)	(1,095,283)
Income taxes (expense)	<u>(319,288)</u>	<u>1,023,429</u>	<u>460,417</u>
Net income (loss) from operations	<u>(15,141,334)</u>	<u>8,705,344</u>	<u>7,637,483</u>
Net (income) loss attributable to non-controlling interests	<u>(138,347)</u>	<u>(742,101)</u>	<u>(205,855)</u>
Net income (loss) attributable to Ahtna, Incorporated	<u>(15,279,681)</u>	<u>7,963,243</u>	<u>7,431,628</u>
Earnings (loss) per share	(55.06)	29.03	27.39
EBIT	(12,415,548)	8,798,585	8,066,494
Depreciation, depletion and amortization	4,003,152	4,006,381	4,058,386
EBITDA	(8,412,396)	12,804,966	12,124,880
Interest & Taxes	(2,864,133)	(835,342)	(634,866)

Revenue increased in 2025 due to the continuation of existing contracts and additional contract awards, primarily within the Construction and Government and Technical segments. Stockholders' equity decreased during 2025 primarily as a result of the net loss of \$15.3 million for the year. The 2025 gross income margin was 7.3%, representing a decline of 8.7 percentage points from 2024, driven primarily by losses incurred in dredging operations.

Operating expenses, expressed as a percentage of revenue, were 13.2% in 2025, a 2.2 percentage-point decrease from 2024. This improvement was primarily attributable to controlled operating expenses as compared to increase in revenue. Operating costs decreased 2% in 2025 as a percentage of revenue.

Increase in General and Administrative Expenses (G&A)

The following chart presents the percentage allocation of operating costs (general and administrative expenses) by department in support of revenue-generating activities and the Corporation's non-profit services. The Operations category represents subsidiary management, while the remaining departments reside at Ahtna, Inc. and provide shared services supporting all subsidiaries.



Other income increased by \$6.5 million in 2025 compared to 2024, driven primarily by \$5.7 million of additional unrealized and realized market gains, as well as \$0.7 million of incremental gains on the sale of assets relative to the prior year.

Interest expense increased by \$0.7 million in 2025, reflecting additional equipment financing and higher average utilization of the line of credit during the year.

The net loss for 2025 totaled \$15.3 million, representing a \$23.2 million decline compared to 2024. The year over year decrease was driven primarily by:

- a \$26.3 million reduction in gross margin, or 44.5%,
- a \$2.0 million increase in operating expenses, and
- a \$1.3 million reduction in the income tax benefit recognized in the prior year.

These factors were partially offset by the \$6.5 million increase in other income.

Earnings Before Interest and Taxes (EBIT), a key performance metric, was a loss of \$12.4 million in 2025, representing a \$21.2 million, or 241.1%, deterioration from 2024. This decline reflects the combined impact of lower gross margins and higher operating costs. Interest expense increased by \$0.7 million, while net tax expense was \$1.3 million higher than the tax benefit recorded in 2024.

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA), which adjusts EBIT for depreciation and amortization associated with capital intensive operations, was a loss of \$8.4 million in 2025, a \$21.2 million decrease from the prior year. Depreciation, depletion, and amortization expense remained consistent with 2024 levels.

Ahtna contributed \$0.8 million in 2025 and \$3.0 million in 2024 to the Ahtna Hwt'aene (People's) Trust, an entity which is independent from Ahtna, Incorporated and its subsidiaries. The purpose of the Trust is to provide a stable and sustainable mechanism through which Ahtna can distribute non-taxable dividends to its shareholders. In 2025, the Trust distributed \$1.2 million in non-taxable dividends to Elders and \$4.1 million to shareholders. The combined total of dividend distributions paid to shareholders was \$10.55 per share, compared to \$15.25 per share in the prior year.

The Board of Directors and Management remain committed to growing Ahtna's equity base and profitability to ensure the Company maintains the long-term capacity to provide meaningful and sustainable dividend distributions to its shareholders.

Ahtna's government contracting concentration increased to 83% in 2025, compared to 78% in 2024. Revenue derived from contracts awarded under the Small Business Administration (SBA) 8(a) program represented 49% of total contract revenue in 2025, up from 40% in 2024. While government contracting continues to be a core strength, Ahtna is actively pursuing diversification opportunities in alignment with its long-term strategic objective of ensuring that no single sector represents more than 50% of total business activity. This strategy is intended to reduce concentration risk, enhance long term stability, and support sustainable growth across a broader mix of markets.

KEY BALANCE SHEET DATA

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current Assets	172,399,688	194,258,678	158,866,905
Investment in unconsolidated affiliates	2,541,324	2,201,911	1,871,508
Other Assets	45,410,718	44,828,231	36,800,599
Property and equipment	43,286,719	44,763,887	43,154,821
Total Assets	<u>263,638,449</u>	<u>286,052,707</u>	<u>240,693,833</u>
Current liabilities	112,855,662	113,767,733	75,400,862
Other liabilities	18,466,264	23,283,975	22,009,280
Total liabilities	<u>131,321,926</u>	<u>137,051,708</u>	<u>97,410,142</u>
Noncontrolling interest	546,808	1,111,603	357,538
Ahtna shareholders' equity	131,769,715	147,889,396	142,926,153

Current assets decreased by \$21.9 million in 2025 compared to 2024. This decline was primarily driven by a \$7.5 million decrease in cash, an \$8.1 million reduction in accounts receivable, and a \$9.5 million decrease in contract assets, primarily reflecting the year's net loss and the related impacts to cash generation and working capital. These decreases were partially offset by a \$2.5 million increase in marketable securities. Other assets increased by \$1.0 million compared to 2024.

Current liabilities decreased by \$0.9 million in 2025 from the prior year. Accounts payable declined by \$7.5 million, partially offset by a \$4.3 million increase in accrued expenses and a \$1.6 million increase in contract liabilities. In addition, utilization of the line of credit increased by \$0.4 million.

Other long-term liabilities totaled \$18.5 million and decreased by \$4.8 million from 2024, primarily due to scheduled debt repayments.

Stockholders' equity decreased by \$16.1 million, driven primarily by the \$15.3 million net loss and the \$0.8 million contribution to the Settlement Trust during 2025.

KEY CONSOLIDATED STATEMENT OF CASH FLOWS DATA

Summary of Sources (Uses) of Cash	2025	2024	2023
Cash from operating activities	(9,599,815)	2,764,640	(6,914,409)
Net cash provided (used) in investing activities	9,118,871	(2,912,968)	(4,269,750)
Net cash used in financing activities	(7,030,436)	2,726,993	10,196,761
Total change in cash	(7,511,380)	2,578,665	(987,398)

OPERATING ACTIVITIES

The operating activities section of the consolidated statement of cash flows reflects cash generated from, or used in, the Company's core business operations during the period. Operating cash flow reconciles net income (loss) to cash provided by or used in operations, including the impact of changes in working capital accounts such as accounts receivable, accounts payable, and other operating assets and liabilities.

During 2025, cash used in operating activities totaled \$9.6 million, compared to cash provided of \$2.8 million in 2024. The year-over-year variance was driven primarily by the net loss of \$15.1 million incurred during the year, which significantly reduced operating cash flow.

INVESTING ACTIVITIES

The investing activities section of the consolidated statement of cash flows reflects cash flows related to the purchase and sale of marketable securities, capital assets, and investments, including proceeds from asset dispositions and merger and acquisition activity.

In 2025, cash provided by investing activities totaled \$9.1 million, an increase of \$12.0 million compared to 2024. This increase was primarily attributable to \$5.8 million of net investment activity, as well as \$2.3 million of proceeds from gains on asset sales during the year.

FINANCING ACTIVITIES

The financing activities section of the consolidated statement of cash flows reflects cash flows related to dividends and distributions to shareholders, contributions to the Settlement Trust, borrowings and repayments under debt facilities, and activity related to noncontrolling interests.

During 2025, cash used in financing activities totaled \$7.5 million, representing an increase of \$9.8 million compared to 2024. This change was primarily driven by \$4.4 million in debt repayments, \$1.5 million in payments related to the Link Technologies, Inc. acquisition, \$0.7 million in distributions to noncontrolling interests, and \$0.8 million contribution to the Settlement Trust.





LIQUIDITY, CONTRACTUAL OBLIGATIONS AND CAPITAL RESOURCES

Liquidity	2025	2024	2023
Available Funds:			
Cash and cash equivalents	3,524,651	11,036,031	8,457,366
Investment securities	77,815,311	75,312,272	71,510,524
Total available funds	81,339,962	86,348,303	79,967,890
Available line of credit:			
Total line of credit	35,000,000	35,000,000	25,000,000
Less draws from line	18,433,139	18,000,000	12,600,523
Less irrevocable letters of credit	725,000	725,000	800,000
Available line of credit	15,841,861	16,275,000	11,599,477
Total liquidity	97,181,823	102,623,303	91,567,367

Ahtna maintains a centralized treasury function to promote efficient management and deployment of cash across all wholly owned subsidiaries. Excess cash balances at the end of each business day are used to pay down outstanding balances on Ahtna's line of credit, optimizing liquidity and minimizing borrowing costs.

Ahtna maintains a \$35.0 million short-term revolving credit facility with Wells Fargo. Substantially all of Ahtna's operational requirements are funded through cash-on-hand and the line of credit.

As of December 31, 2025, total liquidity was \$97.2 million, a decrease of \$5.4 million compared to 2024, driven primarily by a \$7.5 million reduction in cash and cash equivalents. This decrease was partially offset by a \$2.5 million increase in investment securities, reflecting \$13.7 million of unrealized and realized market gains, partially offset by \$10.0 million of distributions from investments to fund operating cash needs.

At year end, Ahtna had borrowing capacity of \$35.0 million under its primary line of credit, based on eligible accounts receivable and inventories. The outstanding balance on the line of credit was \$13.4 million at December 31, 2025. In addition, Ahtna utilized a separate \$5.0 million line of credit secured by investment securities.

Although utilization of the line of credit was elevated at times, Ahtna maintained compliance with its borrowing base requirements and, through proactive coordination with its lenders, had sufficient liquidity to fund operations throughout the year. Management believes that Ahtna has adequate financial resources to meet current and anticipated future cash requirements. As of December 31, 2025, the Company was in full compliance with all financial covenants.

SUMMARY OF CONTRACTUAL OBLIGATIONS

At December 31, 2025, Ahtna had \$12.6 million in long-term debt, a decrease of \$4.4 million from the prior year's balance of \$17.0 million, primarily reflecting \$4.4 million in scheduled debt repayments made during 2025. In addition to long-term debt, Ahtna leases office space and equipment from third parties across its subsidiary companies. Most of the Company's existing office space lease arrangements are directly tied to government contracts; these leased facilities are not intended for long-term use beyond the life of the related contracts. Ahtna's minimum operating lease commitments total \$2.4 million over the next four years. Combined, total long-term debt and operating lease obligations due within the next year amount to \$5.2 million.

The following table summarizes Ahtna's contractual obligations as of December 31, 2025.

Contractual Obligations:	2026	2027 to 2028	2029 to 2030	Thereafter	Total
Long-term debt obligations	4,327,062	4,883,098	3,365,558	-	12,575,718
Operating lease obligations	915,923	1,236,648	254,486	-	2,407,057
Total	5,242,985	6,119,746	3,620,044	-	14,982,775

CAPITAL STRUCTURE

Debt and other financing sources:	2025	2024	2023
Line of credit	18,433,139	18,000,000	12,600,523
Long-term debt	12,575,718	16,996,151	13,949,898
Total debt and other financing sources	31,008,857	34,996,151	26,550,421
Ahtna shareholders' equity	131,769,715	147,889,396	142,926,153
Total capital	162,778,572	182,885,547	169,476,574
Debt to equity ratio	24%	24%	19%

The debt-to-equity ratio measures a company's financial leverage and is calculated by dividing total debt by stockholders' equity. Ahtna's debt to equity ratio was 24% in 2025, unchanged from 2024. This stability reflects the continued utilization of the line of credit combined with the repayment of \$4.4 million of outstanding debt during the year. During 2025, Ahtna also acquired \$1.9 million of assets, which were funded through operating cash flows rather than equipment financing.

Ahtna remains in full compliance with all bank covenants and financial ratios and continues to maintain sufficient capacity to increase debt under its existing leverage metrics. To support future growth, the Company intends to maintain a balanced approach to leverage and liquidity. The prudent use of additional leverage, when appropriate, is expected to support the expansion of operations and generate incremental income, which will enhance long-term value for shareholders and increase shareholder benefits.

FISCAL YEAR 2025 DISCUSSION BY REPORTING SEGMENTS

2025 revenue for the four business reporting segments increased to \$473.4 million compared to \$392.0 million for 2024. Net loss was \$18.8 million, a decrease in net income of \$23.7 million as compared to 2024 net income of \$4.9 million. Last fiscal year, we saw strong revenue growth due to increased demand. However, net income fell short of expectations due to challenges in marine construction projects, execution issues causing cost overruns and delays, lower-than-expected revenues from our service companies contracts, and delays in federal contract awards due to the Continuing Resolution.

A discussion of each business segment's performance is presented below, followed by a discussion on the outlook for 2025-2026 and beyond.

GOVERNMENT & TECHNICAL CONTRACT SERVICES BUSINESS SEGMENT

The Government and Technical Contract Services business segment focuses on delivering services and solutions to the U.S. Government as a prime contractor and subcontractor through our twenty-five subsidiaries organized under Ahtna Netiyé'. These services include environmental consulting, investigation, and remediation; horizontal and vertical construction; airfield paving; dredging and marine construction; records management and document research; facilities management and operations, including janitorial; administrative and management; logistics and warehousing; armed and unarmed security; and warfighter and military training.

	2025	2024	2023
Revenue	436,356,824	345,296,734	319,458,722
Net Income	(15,710,459)	2,462,574	(715,517)
Interest	2,096,357	2,144,804	1,548,577
Tax expense (benefit)	(5,304,067)	831,400	(241,568)
EBIT	(18,918,169)	5,438,778	(590,280)
Depreciation	2,311,024	2,415,307	2,421,556
EBITDA	(16,607,145)	7,854,085	1,831,276





Government and Technical Contract Services 2025 revenue reached \$436.4 million, an increase of \$91.1 million or 26 percent from 2024. Our revenue growth was primarily driven by our construction, dredging and marine, and environmental projects. Income from operations resulted in an EBITDA loss of \$16.6 million, a decrease of \$24.5 million or 311 percent. Net loss was \$15.7 million, a decrease of \$18.2 million from 2024. The decrease in operational income can be attributed to significant losses on three projects in our dredging division. Ahtna, Inc. has implemented increased oversight of the subsidiaries to improve project management, with a stronger focus on recognizing risks in our bid review process and performing project reviews on large projects. Additionally, the acquisition of Link Technologies, Inc. and the addition of service contracts have positively impacted our operational income, contributing to our overall financial growth.

In 2026, there will be a stronger emphasis on project performance, including more focused bid and proposal reviews, executive reviews of key projects, and contract audits to minimize potential execution challenges. Additionally, we will realign our business lines to better mitigate risk and improve profits.

We have a business development pipeline in excess of \$2 billion, providing an opportunity for significant backlog growth if we are successful in capturing just 20 percent of the pipeline's value. The overall outlook for 2026 is for strategic growth; however, this will be impacted by Federal contracting uncertainty with ongoing investigations, scrutiny on the Small Business Administration's (SBA) 8(a) program, and audits of 8(a) contractors in the Department of War (DoW). In addition, we will continue to experience margin pressure from cost inflation and execution risk that include labor shortages, supply-chain volatility, equipment breakdowns and weather impacts. We will continue to position Ahtna to support our customers when opportunities arise. We will also realign our businesses to improve operational efficiency, boost our gross margins, and enhance general and administrative effectiveness, with an emphasis on growing higher-margin, lower-risk service revenue.

CONSTRUCTION & PIPELINE SERVICES BUSINESS SEGMENT

Ahtna's Construction and Pipeline Services business segment includes pipeline maintenance, oil and gas support, emergency oil spill response, civil construction, road construction, utility/infrastructure installation, bank stabilization and restoration, fish passage improvements, building and site excavation, surveying, and equipment rental. Since 1974, this segment has provided construction and pipeline services to Alyeska Pipeline Service Company in four major program areas: oil spill response, mainline integrity investigations, rivers and floodplains, and line-wide mineral mining services. In addition, this segment has provided surveying and civil construction for the U.S. Army Corps of Engineers (USACE), Los Alamos National Laboratory, the Alaska Department of Transportation and some private clients.

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Revenue	26,865,721	34,767,158	46,261,170
Net Income	(1,804,041)	1,335,098	1,118,728
Interest	455,421	298,404	363,293
Tax expense (benefit)	(609,069)	450,748	377,698
EBIT	(1,957,689)	2,084,250	1,605,241
Depreciation	995,680	932,003	866,213
EBITDA	(962,009)	3,016,253	2,471,454

Revenue in 2025 of \$26.9 million was a decrease of \$7.9 million or 23 percent from 2024. Income from operations decreased, with EBITDA loss of \$1.0 million compared to positive EBITDA of \$3.0 million in 2024, a decrease of \$4.0 million or 132 percent. Net loss was \$1.8 million versus net income of \$1.3 million in 2024, a decrease of \$3.1 million or 235 percent. While we continued to realize revenue growth, income was significantly affected by competitive bid pricing, inflationary pressures, and completing challenging projects from prior years.

The outlook for 2026 is positive, but much of it hinges on the potential Alaska Liquefied Natural Gas Pipeline project moving forward and the State of Alaska providing the required matching share to obtain federal transportation dollars for Department of Transportation and Public Facilities projects. Working with our Shareholder Services group, we will seek to build our employee base through shareholder hires, particularly on our Alyeska program, with the goal of maintaining our position at the top for shareholder hires across Ahtna.



RESOURCE DEVELOPMENT BUSINESS SEGMENT

Ahtna's Resource Development segment is focused on the responsible and sustainable development of Ahtna lands, which encompass approximately 1.76 million acres. Ahtna is working to develop lands for tourism and recreation, timber harvests, land trusts, and other responsible use. Ahtna lands are the most important asset to Ahtna, and our mission is to ensure these lands are protected for future generations. One of the priorities for any land development is to ensure employment opportunities for shareholders. This segment also conducts gravel sales and construction, and issues commercial and individual land use and access permits. Individual land use permits are for camping, land crossing, predator control, recreation, parking and limited trapping and wood-cutting subject to the management plan approved by the Ahtna Board and our Successor Village Organizations (SVO). Natural Resource Technicians (NRT) continue to conduct trespass monitoring, issue land permits, and collect wildlife data to monitor and enhance wildlife populations with the goal of allowing Ahtna to manage wildlife on our private lands.

The segment's 2025 revenue was \$8.5 million, a decrease of \$1.7 million or 17 percent from the 2024 revenue of \$10.2 million. Income also decreased with an EBITDA loss of \$1.0 million as compared to positive EBITDA of \$2.3 million in 2024, a decrease of \$3.3 million or 146 percent. Net loss was \$2.0 million compared to net income of \$1.3 million in 2024, a decrease of \$3.3 million or 249 percent. This decrease is primarily due to client-based delays in current projects and anticipated new work not being awarded.

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Revenue	8,523,742	10,219,249	14,104,134
Net Income	(1,972,233)	1,334,944	3,493,279
Interest	331,227	304,569	129,179
Tax expense	223,412	291,761	446,414
EBIT	(1,417,594)	1,931,274	3,946,941
Depreciation	393,433	332,869	597,141
EBITDA	(1,024,161)	2,264,143	4,544,082



REAL ESTATE BUSINESS SEGMENT

The Real Estate business segment is focused on commercial and retail property management and site development opportunities. The segment has properties in Alaska and California. In Alaska, its focus areas include Anchorage, Mat-Su Valley, Fairbanks, and the Ahtna region. This segment continues to look for potential real estate investment opportunities in Alaska and the lower 48 that are aligned with our strategy and risk profile.

Revenue for 2025 of \$1.7 million was essentially the same as 2024. Income from EBITDA was \$1.2 million versus \$0.5 million in 2024, an increase of \$0.7 million or 162 percent. Net income was \$0.7 million versus \$60 thousand in 2024, an increase of \$0.6 million or 998 percent. This is primarily due to lower interest expense due to a capital contribution from the parent company.

	2025	2024	2023
Revenue	1,671,171	1,717,195	1,683,116
Net Income	656,929	59,843	(249,712)
Interest	13,079	56,787	466,255
Tax expense (benefit)	221,789	20,202	(84,304)
EBIT	891,797	136,832	(269,356)
Depreciation	291,744	314,835	293,495
EBITDA	1,183,541	451,667	24,139

FUTURE OUTLOOK AND STRATEGIC PLAN

As we chart our course through the next 24 months, our strategic planning is contoured by the uncertain terrain shaped by federal contracting uncertainty and projects like the Alaska Liquefied Natural Gas Pipeline.

The recent audits by the SBA and the DoW have created a cooling effect on new 8(a) awards that will disproportionately impact our new companies in the program. Although the 8(a) program has not been eliminated, our subsidiaries can expect longer award timelines, requests for more documentation, and greater scrutiny. Amidst this backdrop, our strategy is to deepen our engagement with existing clients and diversify our offerings, ensuring that Ahtna is well-positioned to navigate the complexities of the current fiscal environment.

As we move through 2026, we must continue to understand and adapt to a rapidly changing federal contracting environment. Recent executive actions and agency-level directives have materially altered the operating environment for government contractors, resulting in greater scrutiny, slower procurement cycles, and increased compliance requirements. As we navigate these changes, it is crucial to stay informed and agile, ensuring compliance with the evolving regulatory landscape while continuing to deliver high-quality services to our government clients.

2025 was a difficult year as market headwinds, a government shutdown, and increased competition across government contracting exposed weaknesses in our cost structure and execution. Several operating units fell short of forecast, and some generated material losses. Our G&A costs are significantly higher than many competitors, our systems and processes are fragmented, and inconsistent project controls have eroded margins. Revenue alone does not create value — profitability and disciplined execution do.

In response, Ahtna is proactively restructuring its enterprise to reduce duplication, streamline decision-making, and align our businesses around scalable platforms with stronger margins. Meaningful cost savings have already been achieved, and additional improvements are underway.

This realignment is designed to ensure we remain competitive and resilient amid evolving procurement policies, heightened audit activity, and changing customer expectations. By consolidating shared services, clarifying operating roles, and focusing each business on its core strengths, we are positioning the company to execute more efficiently while maintaining the high standards our government clients expect.

At the same time, evolving environmental and regulatory priorities are reshaping federal spending patterns. Increased emphasis on cost discipline and accountability may intensify competition and pressure margins, particularly in environmental and remediation work. Our restructuring efforts directly address this reality by improving cost transparency, strengthening operational controls, and ensuring that each line of business is positioned to compete strategically and profitably—not just grow for growth's sake.

While we strengthen our core service areas, continued fiscal and political uncertainty—combined with heightened pricing pressure and competition—will constrain growth across the federal marketplace. These conditions also intensify the challenge of attracting and retaining skilled professionals, underscoring the need for deliberate workforce planning and disciplined talent management to support execution, shareholder employment objectives, and margin performance.

In response, Ahtna is prioritizing disciplined project selection, operational control, and strategic adaptability. We are reevaluating our involvement in certain lines of construction, making targeted investments in equipment and field capabilities, and further refining project management and cost controls to improve predictability and profitability. At the same time, we are selectively expanding complementary professional and technical services to diversify revenue and reduce exposure to volatility in any single market, positioning the enterprise for resilient, margin-focused growth as the government contracting environment continues to evolve.

Transformation requires resilience and professionalism. Change will create opportunities for those committed to building a stronger, more competitive enterprise.

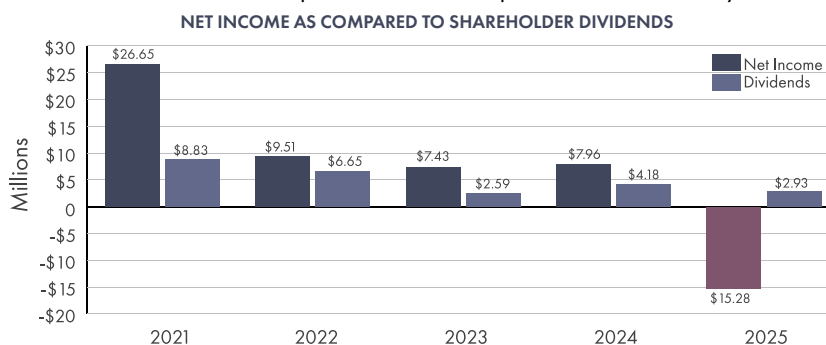
SHAREHOLDER EQUITY AND DIVIDENDS/DISTRIBUTIONS

In 2025, Ahtna continued to provide tax-free shareholder dividends from the Settlement Trust. Dividends are based on Ahtna's operating earnings and earnings generated by the Settlement Trust. Of the 2025 dividend, 17% was funded by contributions from Ahtna, while 83% was generated by the Settlement Trust, including approximately \$1.0 million paid as a special dividend. Shareholder dividend distributions in 2025 totaled \$2.9 million, representing the sixth-largest dividend in Ahtna's history and \$1.3 million less than the prior year. Since inception, Ahtna has distributed more than \$65.5 million to shareholders, including \$29.3 million over the last five years. The Board of Directors' stable dividend and distribution policy sets guidelines for the distribution of earnings: 25% to the Settlement Trust for dividends, an additional 10% to the Settlement Trust for both dividends and growth of the Trust, 10% for investment in marketable securities, and 55% retained for the growth of Ahtna. This policy balances long-term value creation with meaningful shareholder distributions. The Board's long-term objective is to build a company capable of distributing more than \$10 million annually to shareholders for generations to come.

The following table displays data regarding shareholder dividends:

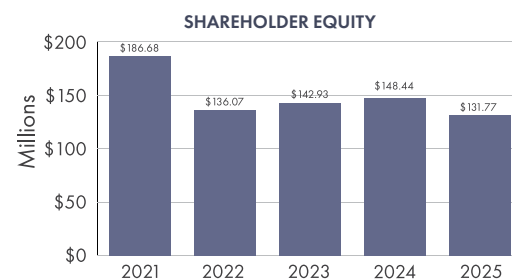
Shareholder Data <i>(Paid from Ahtna and the Trust)</i>	2021	2022	2023	2024	2025
Dividends to Shareholders	\$8,831,743	\$6,654,650	\$2,587,568	\$4,181,943	\$2,928,918
Dividends per share	\$33.55	\$24.91	\$9.54	\$15.25	\$10.55
Earnings per share	\$101.24	\$35.58	\$27.39	\$29.03	\$(55.06)
Dividends as a Percentage of Earnings	33.14%	69.97%	34.82%	52.52%	N/A
Equity value per share	\$709.23	\$508.90	\$526.68	\$539.13	\$474.79
Trust equity value per share	\$57.87	\$243.12	\$251.70	\$268.38	\$302.21
Elder distributions	\$521,000	\$662,500	\$820,500	\$991,375	\$1,199,000

The following chart illustrates Ahtna's net income compared to dividends paid over the last five years:



At December 31, 2025, Ahtna's equity value was \$539 per share, while the Settlement Trust held \$83.9 million, or \$302 per share, resulting in a combined equity value of \$777 per share, a 4% decrease from the prior year. The Board remains committed to growing shareholder equity to support future dividends and continued growth of the Settlement Trust.

Shareholders' equity is comprised of Ahtna's total assets minus Ahtna's total liabilities. Shareholders' equity is accumulated based on two main factors: the original funds invested into the Company, which for Ahtna consisted of \$10.8 million in cash from the Alaska Native Fund, and net earnings accumulated through operations over the existence of the Company. Shareholders' equity will not include the 1.6 million acres of land conveyed pursuant to the Alaska Native Claims Settlement Act until the value can be established. Shareholders' equity as of December 31, 2025 was \$132 million, a decrease of 11% from the prior year. Dividends/distributions to shareholders and contributions to the Settlement Trust decrease the value of shareholders' equity. In 2025, Ahtna paid \$800k in contributions to the Settlement Trust, a decrease of \$2.2 million from the prior year.



SUMMARY OF SHAREHOLDER HIRE

One of Ahtna's key imperatives is providing employment opportunities to shareholders throughout all of Ahtna companies. In 2025, Ahtna provided jobs to 146 shareholders, descendants and spouses for a total cost of \$13.3 million, an increase of \$0.1 million from the prior year. Shareholders held 69% of all Glennallen positions and 33% of all Alaskan positions in 2025. Shareholders also held 45% of all executive positions within Alaska. These shareholder statistics are impressive when you consider the total Ahtna shareholder base represents less than a half percent of the total Alaskan residents. In 2019, Ahtna established the HOPE program, a program designed to help shareholders through education, scholarships, training, job assistance, internships, professional certifications, resume-writing, and other benefits, helping our shareholders obtain the experience and qualifications needed to secure jobs in their chosen profession. Ahtna provided a total of \$23.0 million in shareholder benefits in 2025 and \$174.4 million over the last five years.

10-YEAR FINANCIAL HIGHLIGHTS

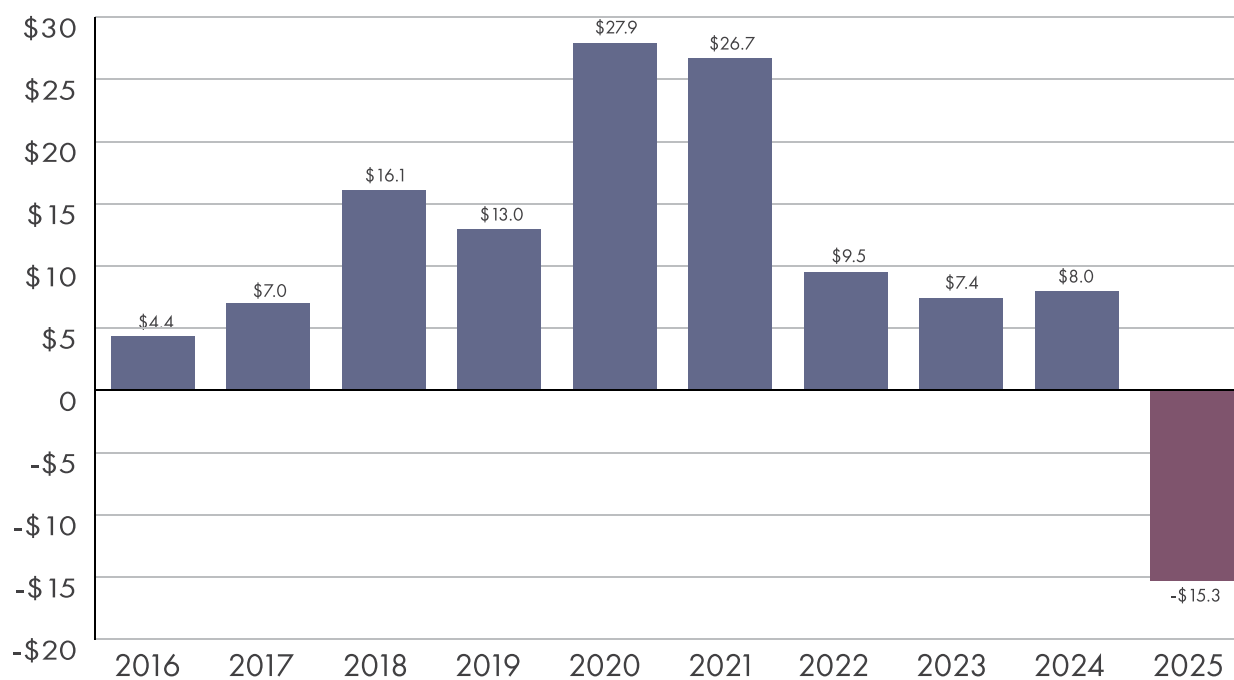
10-YEAR CONSOLIDATED REVENUES

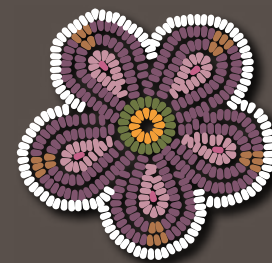
(in millions)



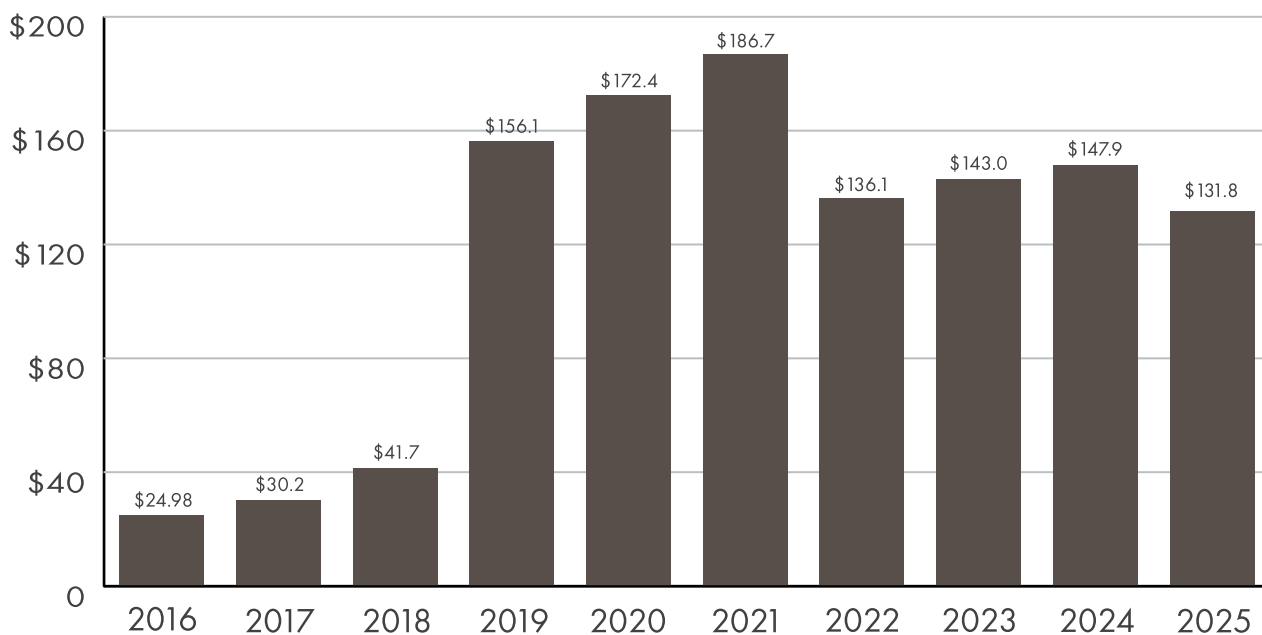
10-YEAR NET INCOME

(in millions)

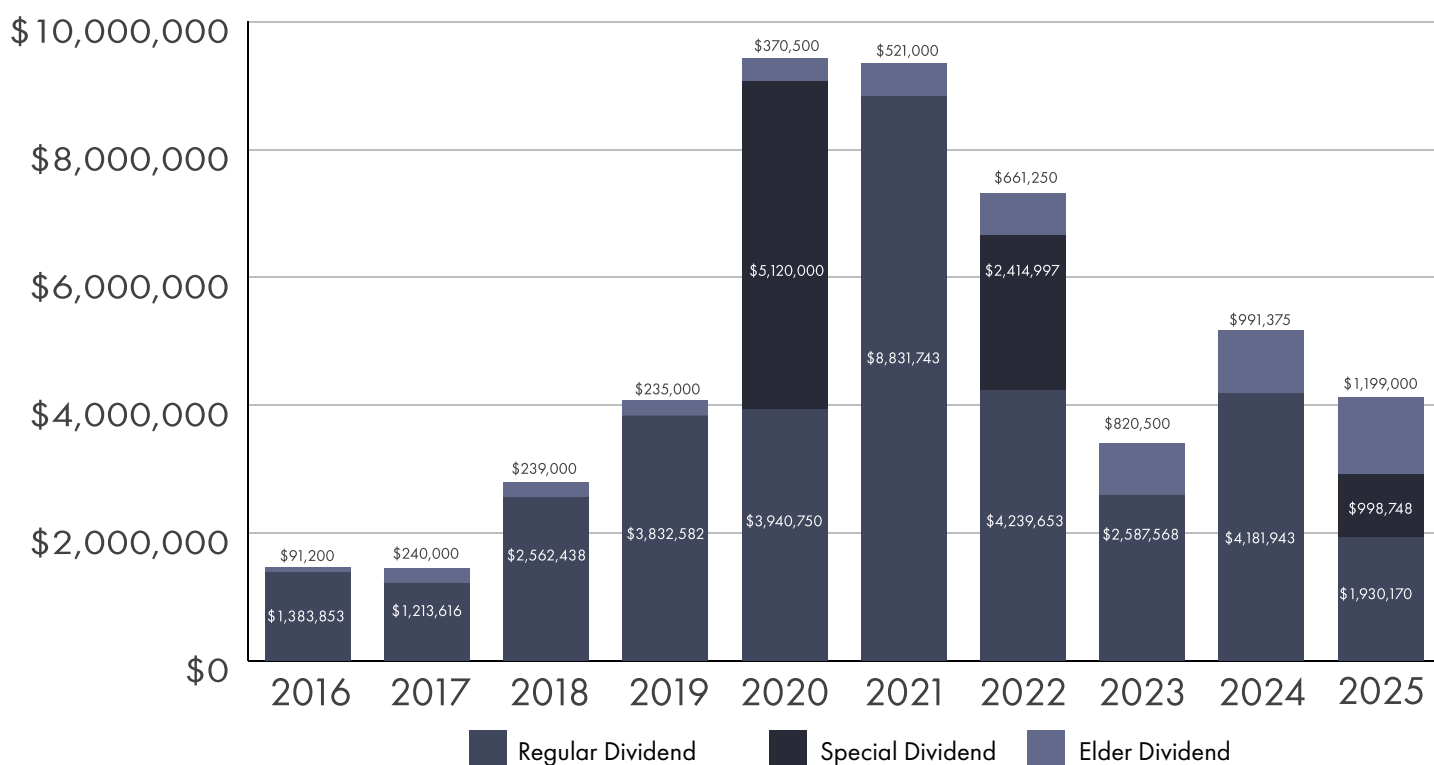




10-YEAR SHAREHOLDER EQUITY (in millions)



10-YEAR SUMMARY OF SHAREHOLDER DIVIDENDS



Note – Since 2018, dividends have been paid from Ahtna's Settlement Trust

GUIDE TO 2025 FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS (P. 30):

Balance sheets summarize Ahtna's assets (what Ahtna owns), liabilities (what Ahtna owes), and shareholders' equity (Ahtna's net worth) as of the end of the fiscal year (12/31/2025).

Assets: Assets are the resources owned by Ahtna. Current assets (liquidity that is less than one year) include cash, marketable securities and receivables. The remainder of the assets (life greater than a year) include items such as land, property, equipment and deferred tax.

Liabilities: Liabilities are obligations that Ahtna owes. Current liabilities (due within a year) are vendor payments, accrued wages and income tax payables.

Shareholders' Equity: Shareholders' equity is equal to Ahtna's total assets minus its total liabilities. This is one of the most common financial metrics to determine the financial health of Ahtna.

AHTNA, INCORPORATED AND SUBSIDIARIES Consolidated Balance Sheets December 31, 2025, 2024, and 2023			
	2025	2024	2023
Assets			
Current assets:			
Cash and cash equivalents	\$ 3,524,651	11,036,031	8,457,366
Investment securities (note 4 and 5)	77,813,311	75,312,272	71,516,524
Accounts receivable, net (note 3)	48,095,546	26,213,009	41,365,782
Inventory	744,094	948,725	514,627
Prepaid expenses and other current assets	4,414,826	3,431,068	2,936,685
Contract assets	37,807,260	47,312,513	34,141,921
Total current assets	172,399,688	194,259,679	158,866,905
Equity method investments (note 6)	2,541,224	2,280,911	1,871,508
Deferred taxes (note 15)	30,546,721	30,502,374	29,602,147
Investment securities (note 4 and 5)	800,543	782,251	1,649,500
Lease right-of-use assets, net (note 11)	2,407,058	2,250,459	1,268,837
Goodwill (note 16)	8,023,379	8,023,379	—
Other assets	3,252,407	3,279,768	4,280,315
Property and equipment, net (note 7)	43,286,719	44,763,887	43,154,821
Total assets	\$ 263,638,449	286,052,707	240,693,833
Liabilities and Stockholders' Equity			
Current liabilities:			
Line of credit (note 9)	\$ 18,433,139	18,000,000	12,600,523
Accounts payable	21,926,673	29,422,416	19,092,337
Accrued expenses	52,113,095	47,875,727	28,472,185
Current portion of long-term debt (note 10)	4,327,062	4,306,231	3,198,927
Contract liabilities	14,319,167	12,778,183	10,648,254
Lease liabilities (note 11)	935,923	693,612	721,786
Income taxes payable	35,400	54,011	73,803
Deferred income	4,800	82,223	—
Other current liabilities	740,503	475,333	392,647
Total current liabilities	112,855,662	113,767,733	75,400,862
Long-term debt, less current portion (note 10)	8,246,656	12,607,920	10,750,971
Long-term lease liabilities (note 11)	1,491,135	1,555,847	947,051
Other liabilities	8,726,473	9,117,208	10,711,258
Total liabilities	131,321,926	137,051,708	97,410,142
Commitments and contingencies (note 18)			
Stockholders' equity:			
Common stock, no par value. Authorized 2,250,000 shares; 277,530, 274,310 and 271,370 shares issued and outstanding at 2025, 2024 and 2023, respectively (note 13)	—	—	—
Contributed capital	—	—	—
Retained earnings	131,769,715	147,899,396	142,926,153
Total stockholders' equity attributable to Ahtna, Incorporated	131,769,715	147,899,396	142,926,153
Noncontrolling interest	546,808	1,111,603	357,538
Total stockholders' equity	132,316,523	149,000,999	143,283,691
Total liabilities and stockholders' equity	\$ 263,638,449	286,052,707	240,693,833

CONSOLIDATED STATEMENTS OF OPERATIONS (P. 31):

The Statement of Operations shows the combined revenues, expenses and net income of Ahtna over the fiscal year. If revenues are more than the expenses incurred in generating those revenues, the result is net income. If expenses are higher than revenues, a net loss is incurred.

Revenue: This is the revenue generated from the sale of services, gravel sales, and income generated from Regional Corporation natural resources, before any costs or expenses are deducted.

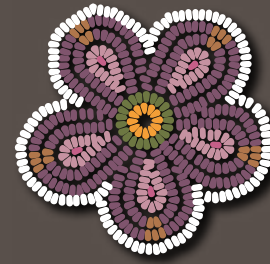
Operating Expenses: Costs associated with Ahtna's contracts and obligations. In turn, these expenses are billed to Ahtna's clients, thereby generating revenue. Whereas all expenses are costs, not all costs (such as those incurred in acquisition of income-generating assets) are expenses.

Income tax: Federal and state tax obligations for the current year and future.

Noncontrolling interest: The portion of net income that belongs to other investors in Ahtna's majority-owned joint venture subsidiaries.

Net Income: Revenue is shown as the top item in a Statement of Operations, from which all charges, costs, and expenses are subtracted to arrive at net income.

AHTNA, INCORPORATED AND SUBSIDIARIES Consolidated Statements of Operations Years ended December 31, 2025, 2024, and 2023			
	2025	2024	2023
Contract revenues	\$ 444,641,231	363,477,478	351,620,141
Carbon credits	—	4,106,274	3,784,624
Other regional corporation natural resources 7(i), net of 7(j)	3,210,546	1,845,989	1,990,583
Total revenues	447,851,777	369,429,741	357,395,348
Cost of revenues	415,074,699	310,396,663	303,891,859
Gross profit	32,777,078	59,033,078	53,503,489
Operating expenses	58,939,412	56,904,426	50,725,819
Income (loss) from operations	(26,162,334)	2,128,652	2,777,670
Other income (expense):			
Realized investment income	4,952,219	7,088,186	3,565,904
Unrealized investment income	8,490,522	645,394	3,483,086
Interest expense	(2,544,845)	(1,858,771)	(1,095,283)
Gain from sale of property and equipment	803,345	68,315	410,421
Equity in income of equity method investments	1,035,189	1,316,701	692,861
Social, cultural, and educational programs	(1,486,679)	(1,326,792)	(1,412,326)
Other income (expense)	90,537	(379,840)	(1,244,267)
Total other income	11,340,288	5,553,263	4,399,396
Income (loss) before income taxes	(14,822,046)	7,681,915	7,177,066
Income tax benefit (expense) (note 15)	(19,288)	1,023,429	460,417
Net income (loss)	(15,141,334)	8,705,344	7,637,483
Net income loss attributable to noncontrolling interests	(138,347)	(742,101)	(205,855)
Net income (loss) attributable to Ahtna, Incorporated	(15,279,681)	7,963,243	7,431,628
Earnings (loss) per share	\$ (55.06)	29.03	27.39



CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (P. 32):

This statement details changes to the shareholders' equity (ownership) portion of Ahtna's balance sheet, and reports on Ahtna's retained earnings, contributed capital, accumulated comprehensive income, dividends paid to shareholders, and contributions paid to the Settlement Trust over the fiscal year. In a healthy company, stockholders' equity is increasing.

AHTNA, INCORPORATED AND SUBSIDIARIES						
Consolidated Statements of Changes in Stockholders' Equity						
Years ended December 31, 2025, 2024, and 2023						
	Common stock	Contributed capital	Retained earnings	Stockholders' equity attributable to Ahtna	Noncontrolling interests	Total stockholders' equity
Balance, December 31, 2022 (Note 1)	\$ —	\$ —	\$ 136,075,500	\$ 136,075,500	\$ 48,427	\$ 136,123,927
Net income	—	—	7,431,428	7,431,428	205,455	7,637,483
Contributions of noncontrolling interest	—	—	—	—	98,000	98,000
Contributions to Settlement Trust	—	—	(581,000)	(581,000)	—	(581,000)
Balance, December 31, 2023	\$ —	\$ —	\$ 142,925,928	\$ 142,925,928	\$ 243,455	\$ 143,170,383
Net income	—	—	7,963,243	7,963,243	742,101	8,708,587
Contributions of noncontrolling interest	—	—	—	—	31,564	31,564
Contributions to Settlement Trust	—	—	(3,000,000)	(3,000,000)	—	(3,000,000)
Balance, December 31, 2024	\$ —	\$ —	\$ 147,889,171	\$ 147,889,171	\$ 275,019	\$ 148,164,190
Net income (loss)	—	—	(15,279,681)	(15,279,681)	138,347	(15,141,334)
Distributions to noncontrolling interests	—	—	—	—	(755,000)	(755,000)
Contributions of noncontrolling interest	—	—	—	—	31,858	31,858
Contributions to Settlement Trust	—	—	(840,000)	(840,000)	—	(840,000)
Balance, December 31, 2025	\$ —	\$ —	\$ 131,769,512	\$ 131,769,512	\$ 480,225	\$ 132,249,737

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS (P. 33):

This statement summarizes all of Ahtna's sources and uses of cash — which are classified as operating, investing and financing activities — over the fiscal year.

Cash flows from operating activities: Operating activities include receipt of client payments, payments made to vendors, 7(i) receipts and distributions, and other receipts or payments from daily operating activity.

Cash flows from investing activities: Investing activities include marketable securities, acquisitions and purchase/proceeds of property and equipment.

Cash flows from financing activities: Financing activities are banking, contributions to the Settlement Trust, and shareholder dividends/distributions.

AHTNA, INCORPORATED AND SUBSIDIARIES			
Consolidated Statements of Cash Flows			
Years ended December 31, 2025, 2024, and 2023			
	2025	2024	2023
Cash flows from operating activities:			
Net income (loss)	\$ (15,141,334)	\$ 8,708,344	\$ 7,637,483
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, depletion and amortization	4,001,152	4,006,381	4,058,286
Gain on disposal of property and equipment	(80,245)	(68,351)	(410,421)
Gain on sale of marketable securities	(4,952,219)	(7,229,633)	(1,491,938)
Gain on sale of assets held as an investment	—	—	(1,676,827)
Goodwill losses	(116,260)	(112,922)	61,478
Deferred taxes	(44,457)	(1,137,444)	(63,487)
Undistributed earnings of equity method investments	(239,413)	69,597	(587,861)
Unrealized gain from marketable securities	(8,490,322)	(645,394)	(3,549,711)
Changes in assets and liabilities that provided (used) cash:			
Accounts receivable	8,240,783	(13,271,242)	152,889
Inventories	204,631	(434,099)	234,118
Prepaid expenses and other current assets	(982,758)	(487,511)	(370,884)
Contract assets	9,505,253	(13,170,592)	(9,817,614)
Other assets	(28,239)	1,829,462	459,311
Accounts payable	(7,495,843)	9,977,799	5,973,122
Accrued expenses	5,757,368	14,952,285	(3,674,054)
Contract liabilities	1,560,984	2,129,029	(26,939)
Deferred income	(77,423)	62,223	(31,256)
Income taxes payable	(15,613)	(19,792)	(82,992)
Other current liabilities	(128,562)	(1,511,167)	(3,689,273)
Net cash provided by (used in) operating activities	(9,599,815)	2,764,640	(6,914,409)
Cash flows from investing activities:			
Purchase of marketable securities	(39,514,465)	(105,884,760)	(47,119,007)
Sales and maturities of marketable securities	50,355,975	110,924,988	45,310,669
Equity method investments	—	—	(480,000)
Acquisitions, net of cash acquired	—	(4,736,835)	—
Purchase of property and equipment	(4,003,696)	(3,010,552)	(7,973,121)
Proceeds from sale of fixed assets held as an investment	2,281,057	194,191	4,500,000
Proceeds from sale of property and equipment	—	—	1,011,709
Net cash provided (used in) investing activities	9,118,871	(2,912,968)	(4,269,759)
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	431,139	5,399,477	12,600,523
Principal payments on long-term debt	(4,420,433)	(3,769,299)	(910,384)
Distributions to noncontrolling interests	(732,000)	(3,453,747)	(2,821,084)
Capital contribution from noncontrolling interest	31,858	11,964	88,006
Contribution to Settlement Trust	(840,000)	(3,000,000)	(581,068)
Payment of contingent consideration & earn out obligation	(1,500,000)	—	—
Net cash provided by (used in) financing activities	(7,039,436)	2,276,993	(10,196,701)
Net increase (decrease) in cash and cash equivalents	(7,511,380)	2,578,665	(907,398)
Cash and cash equivalents at beginning of year	11,056,031	8,457,366	9,444,764
Cash and cash equivalents at end of year	\$ 3,524,651	\$ 11,036,031	\$ 8,457,366

See accompanying notes to consolidated financial statements.

GUIDE TO 2025 FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (BEGINNING ON P. 36):

These are footnotes added to the end of the financial statements. They provide information on the accounting methods/policies of Ahtna as well as help explain specific items in the financial statements and provide a more comprehensive assessment of the Company's financial condition.

GLOSSARY OF ADDITIONAL TERMS

DEPRECIATION EXPENSE: An expense on the Statement of Operations that spreads the cost of an asset over its useful life.

DEFERRED TAX ASSETS: An asset that Ahtna estimates will be used in the future to lower taxes owed to the government.

DEFERRED TAX LIABILITIES: A deferred tax liability is the result of differences in the way a company does its financial accounting for reporting purposes according to generally accepted accounting principles (GAAP) versus tax accounting. The deferred tax liability represents an obligation to pay taxes in the future.

DISCONTINUED OPERATIONS: A component of an operation or entity that has been disposed of (sold) and that represents a strategic shift in a company's operations. The net earnings are separated from the remaining continuing businesses so that the reader understands the portion of income that results from business operations that are still ongoing.

FISCAL YEAR: An annual period used for reporting a company's performance. Ahtna's fiscal year is the calendar year (January 1 to December 31).

IMPAIRMENT: Impairment is an accounting principle that describes a permanent reduction in the value of a company's asset, normally a fixed asset. When testing for impairment, the total profit, cash flow or other benefit that's expected to be generated by a specific asset is periodically compared with that same asset's book value. If it's found that the book value of the asset exceeds the cash flow or benefit of the asset, the difference between the two is written off and the value of the asset declines on the Company's balance sheet.

JOINT VENTURE: A business undertaking by two or more parties for one or more specified purposes or projects. A joint venture may be in the form of a partnership, corporation or limited liability company.

LIMITED LIABILITY COMPANY (LLC): A form of a business company characterized typically by limited liability, management by its members or a manager, and limitations on ownership transfer. An LLC often offers greater flexibility than a corporation in arrangements between its owners.

LIQUIDITY: The ability of Ahtna's current assets to meet its current financial obligations/payments. This is a good indicator of the financial strength of the Company.

MARGIN: As a general term in business, margin refers to the difference between revenues and costs for the services being sold, expressed as a percentage of selling price.

MARKETABLE SECURITIES: Investments sold on an open market, such as stocks, bonds and other investments.

NET INCOME: The amount of money a company has made after all costs, expenses and taxes are deducted from revenue and other income. It is also known as earnings or profit.

NET LOSS: The amount lost by a company when all costs and expenses exceed revenue and other income.

NONCONTROLLING INTEREST: The portion of equity ownership in a subsidiary not attributable to the parent company, which has a controlling interest (greater than 50% but less than 100%) and consolidates the subsidiary's financial results with its own.

REVENUE: The income a company receives from its normal business activities.

CONSOLIDATED SUBSIDIARY: An entity owned and controlled by another entity. The second entity must own and control at least a majority of the first entity in most circumstances and sometimes more under certain agreements or laws.

CONSOLIDATED FINANCIAL STATEMENTS

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The Consolidated Financial Statements for the Ahtna Hwt'aene (People's) Trust can be viewed by logging into your MyAhtna account at www.MyAhtna.com.





KPMG LLP
Suite 200
3800 Centerpoint Drive
Anchorage, AK 99503

Independent Auditors' Report

Board of Directors
Ahtna, Incorporated:

Opinion

We have audited the consolidated financial statements of Ahtna, Incorporated and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations, changes in stockholders' equity, 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 financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company 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.

Other Matter

The consolidated financial statements of the Company as of and for the year ended December 31, 2023 were audited by another auditor, who expressed an unmodified opinion on those statements on March 1, 2024.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, 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 Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 GAAS 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,

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misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, 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 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 consolidated 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.

KPMG LLP

Anchorage, Alaska
February 27, 2026

AHTNA, INCORPORATED
AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2025, 2024, and 2023

Assets	2025	2024	2023
Current assets:			
Cash and cash equivalents	\$ 3,524,651	11,036,031	8,457,366
Investment securities (note 4 and 5)	77,815,311	75,312,272	71,510,524
Accounts receivable, net (note 3)	48,093,546	56,218,069	41,305,782
Inventories	744,094	948,725	514,627
Prepaid expenses and other current assets	4,414,826	3,431,068	2,936,685
Contract assets	37,807,260	47,312,513	34,141,921
Total current assets	172,399,688	194,258,678	158,866,905
Equity method investments (note 6)	2,541,324	2,201,911	1,871,508
Deferred taxes (note 15)	30,546,731	30,502,274	29,602,147
Investment securities (note 4 and 5)	880,543	782,351	1,649,300
Lease right-of-use assets, net (note 11)	2,407,058	2,250,459	1,268,837
Goodwill (note 16)	8,033,379	8,033,379	—
Other assets	3,543,007	3,259,768	4,280,315
Property and equipment, net (note 7)	43,286,719	44,763,887	43,154,821
Total assets	\$ 263,638,449	286,052,707	240,693,833
Liabilities and Stockholders' Equity			
Current liabilities:			
Line of credit (note 9)	\$ 18,433,139	18,000,000	12,600,523
Accounts payable	21,926,573	29,422,416	19,092,737
Accrued expenses	52,133,095	47,875,727	28,672,185
Current portion of long-term debt (note 10)	4,327,062	4,388,231	3,198,927
Contract liabilities	14,339,167	12,778,183	10,648,254
Lease liabilities (note 11)	915,923	691,612	721,786
Income taxes payable	35,400	54,011	73,803
Deferred income	4,800	82,223	—
Other current liabilities	740,503	475,330	392,647
Total current liabilities	112,855,662	113,767,733	75,400,862
Long-term debt, less current portion (note 10)	8,248,656	12,607,920	10,750,971
Long-term lease liabilities (note 11)	1,491,135	1,558,847	547,051
Other liabilities	8,726,473	9,117,208	10,711,258
Total liabilities	131,321,926	137,051,708	97,410,142
Commitments and contingencies (note 18)			
Stockholders' equity:			
Common stock, no par value. Authorized 2,250,000 shares; 277,530, 274,310 271,370 shares issued and outstanding, at 2025, 2024 and 2023, respectively (note 13)	—	—	—
Contributed capital	—	—	—
Retained earnings	131,769,715	147,889,396	142,926,153
Total stockholders' equity attributable to Ahtna, Incorporated	131,769,715	147,889,396	142,926,153
Noncontrolling interests	546,808	1,111,603	357,538
Total stockholders' equity	132,316,523	149,000,999	143,283,691
Total liabilities and stockholders' equity	\$ 263,638,449	286,052,707	240,693,833

See accompanying notes to consolidated financial statements.

**AHTNA, INCORPORATED
AND SUBSIDIARIES**

Consolidated Statements of Operations
Years ended December 31, 2025, 2024, and 2023

	2025	2024	2023
Contract revenues	\$ 444,641,231	363,477,478	351,620,141
Carbon credits	—	4,106,274	3,784,624
Other regional corporation natural resources 7(i), net of 7(j)	3,210,546	1,845,989	1,990,583
Total revenues	447,851,777	369,429,741	357,395,348
Cost of revenues	415,074,699	310,396,663	303,891,859
Gross profit	32,777,078	59,033,078	53,503,489
Operating expenses	58,939,412	56,904,426	50,725,819
Income (loss) from operations	(26,162,334)	2,128,652	2,777,670
Other income (expense):			
Realized investment income	4,952,219	7,088,186	3,565,904
Unrealized investment income	8,490,522	645,394	3,483,086
Interest expense	(2,544,845)	(1,858,771)	(1,095,283)
Gain from sale of property and equipment	803,345	68,385	410,421
Equity in income of equity method investments	1,035,189	1,316,701	692,861
Social, cultural, and educational programs	(1,486,679)	(1,326,792)	(1,413,326)
Other income (expense)	90,537	(379,840)	(1,244,267)
Total other income	11,340,288	5,553,263	4,399,396
Income (loss) before income taxes	(14,822,046)	7,681,915	7,177,066
Income tax benefit (expense) (note 15)	(319,288)	1,023,429	460,417
Net income (loss)	(15,141,334)	8,705,344	7,637,483
Net (income) loss attributable to noncontrolling interests	(138,347)	(742,101)	(205,855)
Net income (loss) attributable to Ahtna, Incorporated	\$ (15,279,681)	7,963,243	7,431,628
Earnings (loss) per share	\$ (55.06)	29.03	27.39

See accompanying notes to consolidated financial statements.

**AHTNA, INCORPORATED
AND SUBSIDIARIES**

Consolidated Statements of Changes in Stockholders' Equity

Years ended December 31, 2025, 2024, and 2023

	<u>Common stock</u>	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Stockholders' equity attributable to Ahtna</u>	<u>Noncontrolling interests</u>	<u>Total stockholders' equity</u>
Balance, December 31, 2022 (Note 1)	\$ —	—	136,075,593	136,075,593	63,677	136,139,270
Net income	—	—	7,431,628	7,431,628	205,855	7,637,483
Contributions of noncontrolling interest	—	—	—	—	88,006	88,006
Contributions to Settlement Trust	—	—	(581,068)	(581,068)	—	(581,068)
Balance, December 31, 2023	\$ —	—	142,926,153	142,926,153	357,538	143,283,691
Net income	—	—	7,963,243	7,963,243	742,101	8,705,344
Contributions of noncontrolling interest	—	—	—	—	11,964	11,964
Contributions to Settlement Trust	—	—	(3,000,000)	(3,000,000)	—	(3,000,000)
Balance, December 31, 2024	\$ —	—	147,889,396	147,889,396	1,111,603	149,000,999
Net income (loss)	—	—	(15,279,681)	(15,279,681)	138,347	(15,141,334)
Distributions to noncontrolling interests	—	—	—	—	(735,000)	(735,000)
Contributions of noncontrolling interest	—	—	—	—	31,858	31,858
Contributions to Settlement Trust	—	—	(840,000)	(840,000)	—	(840,000)
Balance, December 31, 2025	\$ —	—	131,769,715	131,769,715	546,808	132,316,523

See accompanying notes to consolidated financial statements.

**AHTNA, INCORPORATED
AND SUBSIDIARIES**

Consolidated Statements of Cash Flows

Years ended December 31, 2025, 2024, and 2023

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:			
Net income (loss)	\$ (15,141,334)	8,705,344	7,637,483
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, depletion and amortization	4,003,152	4,006,381	4,058,386
Gain on disposal of property and equipment	(803,345)	(68,385)	(410,421)
Gain on sale of marketable securities	(4,952,219)	(7,329,633)	(1,491,938)
Gain on sale of assets held as an investment	—	—	(1,676,827)
Credit losses	(116,260)	(112,922)	(91,478)
Deferred taxes	(44,457)	(1,137,444)	(634,874)
Undistributed earnings of equity method investments	(339,413)	69,597	(367,861)
Unrealized gain from marketable securities	(8,490,522)	(645,394)	(3,549,711)
Changes in assets and liabilities that provided (used) cash:			
Accounts receivable	8,240,783	(13,271,242)	152,589
Inventories	204,631	(434,098)	234,118
Prepaid expenses and other current assets	(983,758)	(487,511)	(370,484)
Contract assets	9,505,253	(13,170,592)	(9,817,614)
Other assets	(283,239)	1,029,462	459,331
Accounts payable	(7,495,843)	9,977,799	5,973,122
Accrued expenses	5,757,368	14,952,285	(3,074,054)
Contract liabilities	1,560,984	2,129,929	(263,939)
Deferred income	(77,423)	82,223	(31,256)
Income taxes payable	(18,611)	(19,792)	40,292
Other current liabilities	(125,562)	(1,511,367)	(3,689,273)
Net cash provided by (used in) operating activities	<u>(9,599,815)</u>	<u>2,764,640</u>	<u>(6,914,409)</u>
Cash flows from investing activities:			
Purchase of marketable securities	(39,514,465)	(105,884,760)	(47,119,007)
Sales and maturities of marketable securities	50,355,975	110,924,988	45,310,669
Equity method investments	—	(400,000)	—
Acquisitions, net of cash acquired	—	(4,736,835)	—
Purchase of property and equipment	(4,003,696)	(3,010,552)	(7,973,121)
Proceeds from sale of fixed assets held as an investment	—	—	4,500,000
Proceeds from sale of property and equipment	2,281,057	194,191	1,011,709
Net cash provided (used in) investing activities	<u>9,118,871</u>	<u>(2,912,968)</u>	<u>(4,269,750)</u>
Cash flows from financing activities:			
Net draws on line of credit	433,139	5,399,477	12,600,523
Proceeds from issuance of long-term debt	—	3,769,299	910,384
Principal payments on long-term debt	(4,420,433)	(3,453,747)	(2,821,084)
Distributions to noncontrolling interests	(735,000)	—	—
Capital contribution from noncontrolling interest	31,858	11,964	88,006
Contribution to Settlement Trust	(840,000)	(3,000,000)	(581,068)
Payment of contingent consideration & earn out obligation	(1,500,000)	—	—
Net cash provided by (used in) financing activities	<u>(7,030,436)</u>	<u>2,726,993</u>	<u>10,196,761</u>
Net increase (decrease) in cash and cash equivalents	<u>(7,511,380)</u>	<u>2,578,665</u>	<u>(987,398)</u>
Cash and cash equivalents at beginning of year	<u>11,036,031</u>	<u>8,457,366</u>	<u>9,444,764</u>
Cash and cash equivalents at end of year	<u>\$ 3,524,651</u>	<u>11,036,031</u>	<u>8,457,366</u>

See accompanying notes to consolidated financial statements.

AHTNA, INCORPORATED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
Years Ended December 31, 2025, 2024, and 2023

NOTE 1: Nature of Operations and Summary of Significant Accounting Policies

Organization

Ahtna, Incorporated (Ahtna or the Company) was formed as an Alaska for-profit corporation under state law and the Alaska Native Claims Settlement Act (ANCSA) of 1971. Ahtna, through its various subsidiaries, has diversified operations with federal, state, and local government agencies as well as private sector clients. Ahtna's business activities include civil and vertical construction; dredging and marine construction; asphalt and aggregate production; oil spill response; environmental consulting, remediation, and ecosystem restoration; facilities management and support services; detention services; forestry and natural resource management; gravel sales; records management services; janitorial services; oil and gas pipeline maintenance and construction; staff augmentation; surveying; equipment rentals; security services; training range operations; warehousing and logistics; and weapon systems maintenance.

The significant accounting policies followed by Ahtna are described below:

Principles of Consolidation

The consolidated financial statements include the accounts of Ahtna, Incorporated, its wholly-owned subsidiaries (Ahtna Construction & Primary Products Company, LLC; Ahtna Development Company, LLC; Ahtna Facility Services, Incorporated; Ahtna Technical Services, LLC; Ahtna Government Services Corporation; Ahtna Engineering Services, LLC; AKHI, LLC; Ahtna Federal Holdings, LLC; Ahtna Design-Build, Inc.; Ahtna Environmental, Inc.; Ahtna Services Group, LLC; Ahtna Support and Training Services, LLC; Ahtna Invictus, LLC; Ahtna Technologies, LLC; Ahtna Marine & Construction Company, LLC; Ahtna USA, LLC; Ahtna Netiye', LLC; Ahtna Global, LLC; Ahtna Logistics, LLC; A.A.A. Valley Gravel, LLC; Ahtna Gravel Products, LLC; Ahtna Petrochemical Products, LLC; Ahtna Solutions, LLC; Ahtna Infrastructure & Technologies, LLC; Ahtna Commercial Services, LLC; Ahtna Diversified Holdings, LLC; Ahtna Builders, LLC; Blackburn Environmental, LLC; Delaeni Equipment, LLC; Regal Mountain Services, LLC; 110 West 38th Avenue, LLC; Ahtna Mile 115 Richardson Highway, LLC; 3100 Beacon Boulevard, LLC; 9699 Blue Lakespur Lane, LLC; 151 West 92nd Avenue, LLC; Ahtna Integrated Service Holdings, LLC; Ahtna Integrated Services, LLC; Ahtna Investigation Management, Inc.; Link Technologies, Inc.; and Ahtna Professional Services, Inc.), and its majority-owned joint ventures (Ahtna-CDM Smith JV, Ahtna CDM JV, Klutina River Contractors, Ahtna USA-CDM JV, Ahtna-SWCP JV, AHTSWP, Ahtna-J.F. Brennan JV, Ahtna-Brennan JV, LLC, Ahtna RDI JV, LLC, APSI-Centerra JV, LLC, Ahtna-UNIT JV, LLC, Ahtna-Arcadis 8(a) JV, LLC, Ahtna-Arcadis 8(a) JV #2, LLC, Ahtna-Advancia JV, LLC, Ahtna TMG JV LLC, Ahtna Target JV, LLC, Ahtna Great Lakes E&I JV, Ahtna-Forgen JV, LLC, and Tazlina River Contractors), which are collectively referred to as the Company. All significant inter-company accounts and transactions have been eliminated in consolidation.

Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Such estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results may differ from estimates under different assumptions or conditions.

Cash and Cash Equivalents

The Company considers all highly liquid investments to be cash equivalents. Cash and cash equivalents include money market funds, certificates of deposits with original maturity of twelve months or less and U.S. Treasury securities with original maturity of three months or less. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Bank balances of \$2,440,768 were not insured by the FDIC at December 31, 2025. Money market funds held in the Company's investment portfolio are excluded from cash equivalents and reported as investment securities.

Accounts Receivable

Accounts receivable are primarily from service and construction contracts with the U.S. Government and are stated at their principal amounts. Contract retentions are included in accounts receivable and are due 30 days after completion of the project and acceptance by the owner. Accounts receivables are written off when it is determined that there is no possibility of recovery. Receivables past due more than 120 days, other than those from government contracts, are considered delinquent.

Inventories

Inventories consist primarily of rock and gravel, consumables, and environmental clean-up materials. Inventories are stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out (FIFO) method.

Investment Securities

Investment securities consist of equity and debt securities and real asset, private equity, and alternative investment funds. Equity securities consist of common stocks and mutual funds with readily determinable fair values. Debt securities have readily determinable fair values and are classified as trading. Investment funds without a readily determinable fair value qualify for the net asset value (NAV) practical expedient and are reported using the NAV reported by the investment manager. The value may be reported on a lag, which management does not consider to be material to fair value. Real asset investment funds hold precious metals and real estate. Net unrealized gains and losses are recorded as a component of net income. When securities are sold, realized gains and losses are determined using the specific-identification method. Dividend and interest income are recognized when earned.

Equity Method Investments

Investments in joint ventures and affiliates are accounted for using the equity method when the Company has the ability to exercise significant influence over the operating and financial policies of an investee. Under the equity method, the Company's share of affiliate earnings is included in income when earned, and distributions are reported as a reduction of the investment when received. For flow-through entities (i.e., partnerships, limited liability companies, subchapter S corporations, etc.), the ability to exercise significant influence is presumed to exist if the percentage of ownership is equal to or greater than 3% to 5%. For other entities, significant influence is presumed to exist if the percentage of ownership is equal to or greater than 20%. The Company's share of earnings or losses is determined by its respective ownership percentage. The Company uses the nature of distributions approach to classify distributions received from equity method investments in the statement of cash flows.

Impairment of Long-Lived Assets

Long-lived assets and intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to the future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less the cost to sell.

Fair Value Measurements

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels which prioritize the inputs used in measuring fair value as follows:

- Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Observable market inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

Goodwill

Goodwill is an asset representing the future economic benefits arising from assets acquired in a business combination that are not individually identified and separately recognized. The Company tests goodwill for impairment at each annual reporting date by first performing a qualitative analysis and then, if necessary, comparing the fair value of each reporting unit to its carrying value. Fair value of the reporting unit is determined through various valuation techniques, including discounted cash flow analysis. The goodwill impairment amount, if any, represents the excess of the reporting unit's carrying amount over its fair value, limited to the carrying amount of goodwill of the entity.

Property and Equipment

Property and equipment are stated at cost. Expenditures for major additions and improvements are capitalized and minor replacements, maintenance, and repairs are charged to expense as incurred. When property and equipment is retired, or otherwise disposed of, the cost and accumulated depreciation and amortization is removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period. Depreciation and amortization of property and equipment is computed using the straight-line method over the estimated useful lives of the assets of three to thirty years. Government surplus property received at no cost is recorded at fair market value. In accordance with U.S. generally accepted accounting principles related to nonmonetary transactions, land received under ANCSA is recorded at no cost as it was not practical for the Company to determine the estimated fair value of the resources received on the date of the receipt within reasonable limits for financial reporting purposes. However, these assets have significant economic value to the Company (Note 2). Depletion of investments in oil and gas-producing and other mineral properties is calculated using the units of production method.

Concentrations

Revenue from contracts with the U.S. Government accounted for 83%, 78%, and 81% of contract revenue for the years ended December 31, 2025, 2024, and 2023, respectively. Some of these contracts were awarded under the U.S. Small Business Administration (SBA) 8(a) Business Development Program that exempts U.S. Government awarding agencies from certain federal procurement regulations when awarding contracts to an 8(a) program participant. Revenue from contracts through the 8(a) program accounted for 49%, 40%, and 39% of contract revenue for the years ended December 31, 2025, 2024, and 2023, respectively.

Contract Revenue and Cost Recognition

The Company generates revenue under the following three basic types of contracts:

- **Fixed-Price Contracts:** Under a fixed-price contract, the Company performs the specified work for a predetermined price. To the extent actual direct and allocated indirect costs decrease or increase from the estimates upon which the price was negotiated, the Company will generate more or less profit, respectively, or could incur a loss.
- **Cost-Reimbursable Contracts:** Cost-reimbursable contracts provide for the payment of allowable costs incurred during performance of the contract, up to a ceiling based on the amount that has been funded, plus a fixed fee, incentive fee or award fee.
- **Time-and-Materials Contracts:** Under contracts in this category, the Company charges a fixed hourly rate for each direct labor hour expended and is reimbursed for billable material costs and billable out-of-pocket expenses inclusive of allocable indirect costs. The Company assumes the financial risk on time-and-materials contracts because costs of performance may exceed negotiated hourly rates.

The Company recognizes revenue over time when there is a continuous transfer of control to the customer. For U.S. Government contracts, this continuous transfer of control to the customer is supported by clauses in the contract that allow the U.S. Government to unilaterally terminate the contract for convenience, pay for costs incurred plus a reasonable profit, and take control of any work in process. When control is transferred over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. Based on the nature of the products and services provided in the contract, the Company uses judgment to determine if an input measure or output measure best depicts the transfer of control over time. For construction services contracts, the Company typically satisfies performance obligations as services are rendered. The Company typically uses a cost-based input method to measure progress. Revenue is recognized proportionally as contract costs are incurred, plus estimated profits. For time-and-material contracts, the Company bills the customer per labor hour and per material, and revenue is recognized in the amount invoiced since the amount corresponds directly to the value of performance to date. For other service contracts, a time-elapsed output method is used to measure progress, and revenue is recognized straight-line over the term of the contract. If a contract does not meet the criteria for recognizing revenue over time, revenue is recognized at a point in time. Revenue is recognized at the point in time when control of the good or service is transferred to the customer. The Company considers control to be transferred when it has a present right to payment and the customer has legal title. Determining a measure of progress and when control transfers requires the Company to make judgments that affect the timing of when revenue is recognized. Essentially all of the Company's contracts satisfy their performance obligations over time.

Contract modifications are routine in the performance of contracts. Contracts are often modified to account for changes in contract specifications or requirements. In most instances, contract modifications are for goods or services that are not distinct and, therefore, are accounted for as part of the existing contract. The effect of a contract modification on the transaction price and the measure of progress for the performance obligation to which it relates is recognized as an adjustment to revenue and profit cumulatively. Furthermore, a significant change in one or more estimates could affect the profitability of contracts. The Company recognizes adjustments in estimated profit on contracts in the period in which the change is identified. The impact of adjustments in contract estimates is reflected in revenue.

Accounting for long-term contracts involves the use of various techniques to estimate total contract revenue and costs. Profit incentives are included in contract revenue when realization is reasonably assured. An amount equal to contract costs attributable to claims is included in revenue only when the Company has a measurable claim and the amount can be reliably estimated. Contract cost estimates are based on various assumptions to project the outcome of future events that often span several years. These assumptions include labor productivity and availability; the complexity of the work to be performed; the cost and availability of materials; the performance of subcontractors; and the availability and timing of funding from the customer. When estimates of total costs to be incurred on a contract exceed total estimates of the transaction price, a provision for the entire loss is determined at the contract level and is recorded in the period in which the loss is determined.

For arrangements with the U.S. Government, work on contracts generally does not begin until funding is appropriated by the customer. Billing timetables and payment terms on contracts vary based on a number of factors, including the contract type. Typical payment terms under fixed-price contracts with the U.S. Government provide that the customer pays either based on the achievement of contract milestones or progress payments based on a percentage of costs that are incurred. For certain contracts, the Company may receive advance payments prior to commencement of work, as well as milestone payments that are paid in accordance with the terms of the contract as work is performed. The Company recognizes a liability for payments in excess of revenue recorded, which is presented as a contract liability on the balance sheet. The portion of payments retained by the customer until final contract settlement is not considered a significant financing component because the intent is to protect the customer from the Company's failure to adequately complete some or all of the obligations under the contract. The Company's contracts do not contain any significant financing components.

Contract costs include all direct labor, labor burden, material, subcontract and equipment costs, and those indirect costs related to contract performance, such as indirect labor, supplies, and tools, and an allocation of administrative expenses. All administrative expenses are included in operating expenses.

Contract Assets

Amounts are invoiced as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals or upon achievement of contractual milestones. Generally, revenue recognition occurs before billing, resulting in contract assets.

Contract Liabilities

The Company receives advances and milestone payments from customers on selected contracts that exceed revenue earned to date, resulting in contract liabilities. Contract liabilities are reported on the consolidated balance sheet on a net contract basis at the end of each reporting period.

Carbon Credits

The receipt of carbon credit offsets are accounted for as a government grant and presented utilizing the net approach and at the Company's nominal cost. The sale of carbon credit offsets is accounted for in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*, with revenue recognized at the point in time the carbon credit offsets are transferred to the customer. Over the life of the carbon credit program, the Company is obligated to provide inventories and verifications for a period of 100 years. The cost of these inventories and verifications are recorded in the period they are incurred.

Accrued Expenses and Other Liabilities

Accrued expenses consist primarily of wages, incentive compensation, bonuses, leave, workers' compensation, and estimated project costs. Financial statement classification of accrued leave is based upon anticipated utilization of available leave in excess of the estimated amount that is earned within the next operating cycle, as usage of accrued leave is first applied against the most recently earned leave balances.

Operating Leases

The Company determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Company obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Company also considers whether its service arrangements include the right to control the use of an asset.

The right-of-use (ROU) asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the date of adoption or lease commencement date, plus any initial direct costs incurred less any lease incentives received. The Company has elected to net the ROU asset amortization and the lease liability accretion for presentation in the consolidated statement of cash flows.

The Company has made an accounting policy election not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less.

The Company has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its real estate, vehicle, and equipment asset classes. The non-lease components typically represent additional services transferred to the Company, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Self-Insurance

The Company is self-insured up to \$350,000 for each workers' compensation claim. The Company has purchased insurance that pays any workers' compensation claim, where the cost of that claim exceeds the self-insured retention of \$350,000. Operations are charged with the cost of claims reported and an estimate of claims incurred but not reported. A liability for unpaid claims and the associated claim expenses, including incurred but not reported losses, is actuarially determined and reflected in the balance sheet as an accrued liability. The self-insured claims liability includes incurred but not reported losses of \$702,368, \$657,577, and \$486,729 for the years ended December 31, 2025, 2024, and 2023, respectively. Self-insured worker compensation liability inclusive of incurred but not reported losses and reserves of incurred claims total \$1,261,313, \$1,168,948, and \$1,418,208, for the years ended December 31, 2025, 2024, and 2023, respectively.

Contributed Capital

Contributed capital consisted of amounts received from the Alaska Native Fund (Note 2).

Natural Resource Revenues

Natural resource revenues distributed from other regional corporations, under Section 7(i) of ANCSA (Note 2), are recorded when received.

Income Taxes

Deferred taxes (except as noted below) are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss, tax credit, and trust contribution carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The tax benefit from tax-deductible contributions to settlement trusts is recognized as a reduction to income tax expense from continuing operations. Tax benefits arising from the tax basis on land or natural resources received under ANCSA are recognized as a reduction to income tax expense from continuing operations when the tax basis is determined. The Company records a valuation allowance to reduce the amount of the gross deferred tax assets to the amount that is more likely than not to be realized.

The Company recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely to be realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest related to unrecognized tax benefits in interest expense and penalties in operating expenses.

For the years ended December 31, 2025, 2024, and 2023, there were no material changes to the total amount of unrecognized tax benefits. The Company does not expect any significant increases or decreases for uncertain tax positions during the next 12 months.

The Company files income tax returns in the U.S. and various state jurisdictions. All statutes of limitations to assess federal income taxes are closed through 2020. The statutes of limitation remain open for the tax years 2021 through 2024.

NOTE 2: Alaska Native Claims Settlement Act (ANCSA)

The Company is a regional corporation organized pursuant to ANCSA, as amended.

ANCSA entitled Alaska Natives to approximately 44 million acres of land and monies totaling \$962,500,000. ANCSA established the Alaska Native Fund and thirteen regional corporations to receive and distribute this entitlement.

The Company is entitled to receive approximately 1,760,684 acres of land. As of December 31, 2025, the Company had received conveyance of approximately 1,598,246 acres. The value of the land, timber, and mineral rights has not been recorded. The Company has received cash distributions from the Alaska Native Fund of \$10,834,656, which was previously included in contributed capital in the consolidated financial statements. All Alaska Native Fund monies had been distributed to the Company's shareholders by 2014.

Alaska Native Fund distributions and real property interests received pursuant to ANCSA are not subject to any form of income taxation. Real property interests are exempt from real property taxes imposed by any governmental entity until commercially developed, leased, or sold to a third party.

Section 7(i) of ANCSA provided that 70% of revenues, net of certain costs, derived by each regional corporation from timber and subsurface estate is to be divided annually among the twelve regional corporations in Alaska in proportion to the number of shareholders enrolled in each.

Section 7(j) of ANCSA requires that 50% of the monies received from the Alaska Native Fund and received under Section 7(i) must be distributed to village corporations and at-large shareholders. Seven of the eight village corporations formed under ANCSA within the Ahtna region merged with the Company. As a result, the Company now distributes approximately 17% of its Section 7(i) distributable receipts. The Company reports Section 7(i) income net of required Section 7(j) distributions.

NOTE 3: Accounts Receivable

Accounts receivable consists of the following at December 31:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Trade receivables	\$ 26,370,395	34,021,419	27,646,584
Unbilled but treated as billed for collateral purposes	14,389,528	16,386,599	7,637,250
Unbilled	442,579	—	—
Contract retainage	4,306,769	2,241,928	1,672,972
Other	2,617,460	3,630,076	4,440,454
	<u>48,126,731</u>	<u>56,280,022</u>	<u>41,397,260</u>
Less allowance for credit losses	<u>(33,185)</u>	<u>(61,953)</u>	<u>(91,478)</u>
	<u>\$ 48,093,546</u>	<u>56,218,069</u>	<u>41,305,782</u>

Unbilled but treated as billed for collateral purposes represents accounts receivable for which the Company has prepared and sent an invoice to the customer by January 15 of the following year. The Company's line of credit (Note 9) is secured by its eligible trade accounts receivable.

NOTE 4: Investment Securities

The Company's investment securities at December 31 consist of the following

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Equities securities	\$ 39,246,376	37,989,523	37,966,912
Debt Securities:			
Money market funds	1,288,202	1,835,156	2,538,545
Corporate debt	1,563,351	1,489,947	1,458,061
Corporate debt mutual funds	8,974,110	10,189,009	9,676,225
U.S. Government and agency debt	5,953,746	6,114,368	4,659,907
Real assets funds	19,492,324	16,596,311	13,604,576
Private equity & alterative investments	2,177,745	1,880,309	3,255,598
	<u>\$ 78,695,854</u>	<u>76,094,623</u>	<u>73,159,824</u>

Net unrealized holding losses recognized on equity securities still held at the reporting date were \$0, \$1,610,024, and \$2,038,632 as of December 31, 2025, 2024, and 2023, respectively.

Liquidity information and unfunded commitments associated with nonmarketable investments are as follows as of December 31, 2025:

<u>Type</u>	<u>Investment name</u>	<u>Carrying value</u>	<u>Unfunded commitments</u>	<u>Valuation Date</u>	<u>Redemption notice period</u>
Private equity	i-Capital Arctos Sports Partners Fund II Access Fund I	\$ 526,351	525,161	9/30/2025	Not Allowed
Private equity	Vintage IX Secondaries Access (iCapital) LP	595,312	570,411	6/30/2025	Not Allowed
Private equity	Blue Owl GP Stakes V US Investors LP	435,618	643,611	9/30/2025	Not Allowed
Venture Capital	Coinfund Ventures I Onshore LP	377,453	288,000	9/30/2025	Not Allowed
Private equity	Kohlberg Access - Kohlberg Investors LP	243,011	278,582	9/30/2025	Not Allowed
		<u>\$ 2,177,745</u>			

NOTE 5: Fair Value Measurements

The following tables present the placement in the fair value hierarchy of assets and liabilities that are measured at fair value on a recurring basis at December 31:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
2025:				
Money market funds	\$ 1,288,202	1,288,202	—	—
Equity securities	39,246,376	38,534,697	711,679	—
Corporate debt securities	1,563,351	1,563,351	—	—
Corporate debt mutual funds	8,974,110	8,974,110	—	—
U.S. government & agency debt	5,953,746	5,953,746	—	—
Real asset funds	19,492,324	18,457,168	—	1,035,156
	<u>76,518,109</u>	<u>74,771,274</u>	<u>711,679</u>	<u>1,035,156</u>
Investments measured using NAV -				
Private equity	2,177,745			
	<u>\$ 78,695,854</u>			

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
2024:				
Money market funds	\$ 1,835,156	1,835,156	—	—
Equity securities	37,989,523	37,332,162	657,361	—
Corporate debt securities	1,489,947	1,489,947	—	—
Corporate debt mutual funds	10,189,009	10,189,009	—	—
U.S. government & agency debt	6,114,368	6,114,368	—	—
Real asset funds	16,596,311	15,588,906	—	1,007,405
Alternative investments	339,377	—	339,377	—
	<u>74,553,691</u>	<u>72,549,548</u>	<u>996,738</u>	<u>1,007,405</u>
Investments measured using NAV - Private equity	1,540,932			
	<u>\$ 76,094,623</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
2023:				
Money market funds	\$ 2,538,545	2,538,545	—	—
Equity securities	37,966,912	37,384,381	582,531	—
Corporate debt securities	1,458,061	1,458,061	—	—
Corporate debt mutual funds	9,676,225	9,676,225	—	—
U.S. government & agency debt	4,659,907	4,659,907	—	—
Real asset funds	13,604,575	12,039,886	1,052,266	512,423
Alternative investments	2,687,875	1,783,153	904,722	—
	<u>72,592,100</u>	<u>69,540,158</u>	<u>2,539,519</u>	<u>512,423</u>
Investments measured using NAV - Private equity	567,724			
	<u>\$ 73,159,824</u>			

During the year ended December 31, 2024, in association with the business acquisition described in note 16, contingent consideration was measured at fair value on a nonrecurring basis using a discounted cash flows approach. The remaining assets acquired and liabilities assumed were determined to have a fair value equal to their pre-acquisition carrying value. There were no nonfinancial assets or liabilities measured at fair value on a nonrecurring basis at December 31, 2025 or 2023.

NOTE 6: Equity Method Investments

The Company and its subsidiaries have interests in joint ventures. The unconsolidated joint ventures, businesses in which they are engaged, and percentage of ownership are as follows at December 31:

	Percent <u>Ownership</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Advancia Ahtna JV, LLC (<i>Government contracting</i>)	49%	\$ 228,714	214,023	647,769
PDO-AIT JV LLC (<i>Government contracting</i>)	49%	194,718	108,854	67,596
Ahtna-Mortenson JV (<i>Government contracting</i>)	40%	318,862	637,051	790,843
Sego Lily Joint Venture (<i>Government contracting</i>)	40%	1,735,871	964,133	—
Bay West-Ahtna Joint Venture LLC (<i>Government contracti</i>)	50%	63,159	277,850	365,300
Total		<u>\$ 2,541,324</u>	<u>2,201,911</u>	<u>1,871,508</u>

The Company made \$0, \$400,000, and \$0 of capital contributions to unconsolidated affiliates for 2025, 2024 and 2023, respectively. The Company received distributions of \$695,776, \$1,386,298 and \$325,000 from unconsolidated affiliates for 2025, 2024 and 2023, respectively.

Summarized combined financial information for the Company's unconsolidated affiliates utilizing the equity method is as follows as of and for the years ended December 31:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Total assets	\$ 22,826,462	17,929,438	14,238,930
Total liabilities	16,557,643	12,089,130	10,071,301
Net assets	<u>\$ 6,268,819</u>	<u>5,840,308</u>	<u>4,167,629</u>
Company's share of net assets	\$ 2,541,324	2,201,911	1,871,508
Revenues	\$ 53,561,653	51,171,703	37,297,737
Net income	2,578,509	3,753,277	1,501,546
Company's share of net income	\$ 1,035,189	1,316,701	692,861

The Company's share of net assets and net income has been calculated using the substantive terms of the operating agreements, which in some cases differ from the ownership percentage.

NOTE 7: Property and Equipment

Property and equipment consist of the following at December 31:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Land and land improvements	\$ 7,528,298	7,755,298	6,636,748
Buildings	13,251,339	14,686,368	14,686,368
Leasehold improvements	1,434,722	1,667,586	1,560,012
Equipment	38,045,718	36,764,102	33,416,291
Vehicles	10,530,588	9,184,940	8,464,191
Land improvements - gravel	4,091,441	4,091,441	4,091,441
Construction in progress	2,309,833	1,409,859	1,296,562
Total property and equipment	77,191,939	75,559,594	70,151,613
Less accumulated depreciation, depletion and amortization	<u>(33,905,220)</u>	<u>(30,795,707)</u>	<u>(26,996,792)</u>
Net property and equipment	<u>\$ 43,286,719</u>	<u>44,763,887</u>	<u>43,154,821</u>

For the years ended December 31, 2025, 2024, and 2023, depreciation, depletion, and amortization expense was \$4,003,152, \$4,006,381, and \$4,058,386, respectively.

NOTE 8: Consolidated Statements of Cash Flows

The following represents supplemental disclosures of cash flow information for the years ended December 31:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Supplemental disclosures of cash flow information:			
Interest paid	\$ 2,544,845	1,858,771	1,095,283
State income taxes paid	537,951	188,405	192,391
State income taxes refunded	84,794	54,599	55,139
Right-of-use assets obtained in exchange for new lease obligations	1,249,109	1,880,919	1,372,541
Supplemental schedule of noncash investing and financing activities:			
Property and equipment acquired with long-term debt	—	2,730,701	3,003,034
Assets assumed through acquisition	—	1,740,271	—
Liabilities assumed through acquisition	—	799,521	—

NOTE 9: Lines of Credit

The Company has a revolving line of credit totaling \$35,000,000, expiring in December 2027. The line of credit is secured by accounts receivable, contract assets and inventories. The amount available to be drawn on the line of credit is reduced by the amount of outstanding irrevocable letters of credit the Company has provided to third parties. The Company had irrevocable letters of credit of \$725,000, \$725,000, and \$800,000 for the years ended December 31, 2025, 2024, and 2023, respectively. In addition, the Company has a line of credit totaling \$5,000,000 secured by investment securities.

Lines of credit consists of the following at December 31:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
\$35,000,000 line of credit			
interest at daily SOFR plus 2%			
(5.77% at December 31, 2025)	\$ 13,433,139	18,000,000	—
\$25,000,000 line of credit - paid off in 2024			
interest at daily SOFR plus 1.1%			
(5.56% at December 31, 2024)	—	—	12,600,523
\$5,000,000 line of credit			
interest at daily OBFR plus 1%			
(4.64% at December 31, 2025)	5,000,000	—	—
	<u>\$ 18,433,139</u>	<u>18,000,000</u>	<u>12,600,523</u>

NOTE 10: Long-Term Debt

Long-term debt consists of the following at December 31:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Note payable to a financial institution, interest payable monthly fixed at 2.95%, principal and interest monthly installments of \$7,329 with final payment due February 2030; secured by a building with a carrying value of \$1,619,666.	\$ 855,000	915,000	975,000
Note payable to a financial institution, interest payable monthly fixed at 2.95% , principal and interest monthly installments of \$15,727 with final payment due February 2030; secured by building with a carrying value of \$5,418,935.	1,834,687	1,963,437	2,092,187
Note payable to a financial institution, interest payable monthly fixed at 1.93%, principal and interest monthly installments of \$42,710, with final payment due June 2026; secured by a vessel with a carrying value of \$2,299,427.	254,397	756,740	1,249,489
Note payable to a financial institution, interest payable quarterly fixed at 2.75% , principal and interest quarterly installments of \$247,142, with final payment due December 2026; secured by a vessel/equipment with a carrying value of \$3,439,003.	971,809	1,917,346	2,837,322
Note payable to a financial institution, interest payable monthly fixed at 2.78% , principal and interest monthly installments of \$23,833, with final payment due January 2027; secured by equipment with a carrying value of \$756,921.	304,866	578,257	844,160
Note payable to a financial institution, interest payable monthly fixed at 6.34% , principal and interest monthly installments of \$43,368, with final payment due November 2027; secured by a vessel with a carrying value of \$1,921,432.	936,919	1,382,486	1,800,751
Note payable to a financial institution, interest payable monthly fixed at 4.79% , principal and interest monthly installments of \$13,994, with final payment due September 2027; secured by equipment with a carrying value of \$490,697.	281,362	431,883	575,377
Note payable to a financial institution, interest payable monthly fixed at 6.71% , principal and interest monthly installments of \$128,111, with final payment due October 2029; secured by equipment with a carrying value of \$5,294,697.	5,174,869	6,318,624	—
Note payable to a financial institution, interest payable monthly fixed at 6.37% , principal and interest monthly installments of \$74,334, with final payment due May 2028; secured by equipment with a carrying value of \$2,181,211.	1,961,809	2,732,378	3,575,612
	<u>12,575,718</u>	<u>16,996,151</u>	<u>13,949,898</u>
Less current portion	<u>(4,327,062)</u>	<u>(4,388,231)</u>	<u>(3,198,927)</u>
	<u>\$ 8,248,656</u>	<u>12,607,920</u>	<u>10,750,971</u>

As of December 31, 2025, the maturities of long-term debt during the next five years and thereafter are as follows:

Year ending December 31:	
2026	\$ 4,327,062
2027	2,933,969
2028	1,949,129
2029	1,430,871
2030	1,934,687
Thereafter	—
Total long-term debt	<u>\$ 12,575,718</u>

NOTE 11: Operating Leases

The Company is obligated under various noncancelable operating leases for office space and equipment that have initial terms ranging from one to two years. Some leases include one or more options to renew, generally at the Company's sole discretion with renewal terms that can extend the lease term. In addition, certain leases contain termination options, where the rights to terminate are held by either the Company, the lessor or both parties. These options to extend or terminate a lease are included in the lease terms when it is reasonably certain that the Company will exercise that option. The Company's operating leases generally do not contain any material restrictive covenants or residual value guarantees. Some of these leases provide that the Company pay taxes, maintenance, insurance, and certain other operating expenses applicable to the leased assets. The Company also entered into several short-term cancelable leases which were predominantly for performance costs on contracts. Operating lease costs are recognized on a straight-line basis over the lease term.

The components of lease expense are as follows for the years ended December 31:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Lease cost:			
Operating lease cost	\$ 1,092,512	1,111,228	1,208,385
Short-term lease cost	8,680,360	4,329,606	1,491,047
Total lease cost	<u>\$ 9,772,872</u>	<u>5,440,834</u>	<u>2,699,432</u>

Maturities of lease liabilities under noncancelable operating leases as of December 31, 2025 are as follows:

Year ending December 31:	
2026	\$ 915,923
2027	736,742
2028	499,906
2029	254,487
2030	—
Thereafter	—
	<u>\$ 2,407,058</u>

NOTE 12: Surety Bonds

The Company has purchased several surety bonds as a requirement of some of its construction contracts. The Company maintains an active surety relationship with Nationwide Mutual Insurance Company (Nationwide) and believes its bonding capacity is sufficient to meet current operational needs. Nationwide, rated A+, is listed in the U.S. Treasury Register, and is an admitted surety in all states and territories of the United States. Nationwide supports the Company's bonding program for single projects up to \$150 million and aggregate support of \$500 million. Outstanding bonds for the year ended December 31, 2025 totaled \$179,551,020.

NOTE 13: Common Stock

Under provisions of ANCSA, each qualified Alaska Native originally enrolled in the Company was entitled to 100 shares of Class A voting stock.

- One hundred shares of Class A Series 1 common stock were issued to each qualified enrollee in the Ahtna region who was a shareholder in one of the village corporations in the Ahtna region.
- One hundred shares of Class A Series 2 common stock were issued to Alaska Natives enrolled in the Ahtna region who were not enrolled as shareholders in one of the village corporations in the Ahtna region.
- Class C, D, F, G, H, I, and J shares of no par value common stock were subsequently issued in exchange for the outstanding shares of Ahtna village corporations that merged with Ahtna, Incorporated. These shares have the same characteristics as Class A stock, except as to electing members of the Ahtna Board of Directors. (Class E shares were earmarked for a village corporation that decided not to merge.)

In 2008 the shareholders approved the issuance of Class L shares of no par value common stock to lineal descendants of original Ahtna shareholders with a quarter or more Alaska Native blood quantum, born after December 18, 1971, United States citizens, and not shareholders of another ANCSA Regional Corporation unless shares were received by gifting or inheritance. These shares are classified as life estate, which means upon the death of that shareholder, the stock is cancelled without compensation to the heirs and may not be transferred by gift. These shares have the same voting rights as Class A common stock.

The stock, related stock dividends or distributions, and any other stock rights may not be sold, pledged, assigned, treated as an asset in a bankruptcy proceeding, or otherwise alienated, except in limited circumstances by court decree, by gift to certain relatives, or by death.

During the period that restrictions on stock alienation are in effect, the stock carries voting rights only if the holder is an Alaska Native or a descendant of a Native, as defined in ANCSA. As of December 31, 2025, 4,730 shares of stock do not carry voting rights.

All outstanding shares participate in dividends. There were no dividends declared in 2025, 2024, or 2023.

Shares authorized, issued, and outstanding at December 31, 2025 are as follows:

Class	Number of Shares	
	Authorized	Issued and outstanding
A	250,000	
- Series 1	—	95,400
- Series 2	—	12,000
C	250,000	7,300
D	250,000	3,200
F	250,000	3,500
G	250,000	25,700
H	250,000	9,700
I	250,000	10,600
J	250,000	11,600
L	250,000	98,530
Total all classes	<u>2,250,000</u>	<u>277,530</u>

NOTE 14: Related Party Transactions

The Company's related-party transactions primarily consist of the purchase and sale of goods and services with its consolidated joint venture partners. During the years ended December 31, the Company had the following related-party transactions:

	2025	2024	2023
Sales to related parties	\$ 96,937,198	73,916,563	44,631,576
Purchases from related parties	<u>96,937,198</u>	<u>73,916,563</u>	<u>44,631,576</u>
	\$ <u>—</u>	<u>—</u>	<u>—</u>

The Company's related-party transactions with its joint venture partners under its equity method investments consist of the following related-party transactions for the years ended December 31:

	2025	2024	2023
Sales to related parties	\$ <u>5,395,804</u>	<u>7,042,077</u>	<u>6,532,110</u>

NOTE 15: Income Taxes

Total income taxes for the years ended December 31 are as follows:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Federal income tax expense (benefit)	\$ (624,854)	627,733	(594,208)
State income tax expense (benefit)	944,142	(1,651,162)	133,791
	<u>\$ 319,288</u>	<u>(1,023,429)</u>	<u>(460,417)</u>

Income taxes from operations consist of the following for the years ended December 31:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current expense	\$ 363,745	114,015	174,457
Deferred benefit	(44,457)	(1,137,444)	(634,874)
	<u>\$ 319,288</u>	<u>(1,023,429)</u>	<u>(460,417)</u>

Income taxes from operations differed from the amounts computed by applying the U.S. federal income tax rate of 21% to income before income taxes as a result of the following:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Computed “expected” tax expense (benefit)	\$ (3,112,630)	1,613,202	1,507,184
State income taxes, net of federal effect	(548,006)	(85,691)	105,695
Research and development tax credits	4,315,010	(480,070)	(442,399)
Settlement Trust contributions	(176,400)	(630,000)	(122,024)
Meals and entertainment	182,134	140,930	184,831
Basis difference on ANSCA property	—	(862,318)	(556,411)
Other, net	(340,820)	(719,482)	(1,137,293)
	<u>\$ 319,288</u>	<u>(1,023,429)</u>	<u>(460,417)</u>

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31 are presented below:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Deferred tax assets:			
Accounts receivable allowance	\$ 8,738	—	24,088
Provision for forward losses	894,611	137,384	142,007
Compensated absences	2,426,737	2,489,103	1,672,670
Charitable contributions	72,051	—	184,508
Impairment of assets	295,770	295,770	295,770
NOL carryforward	12,094,736	5,147,648	5,242,288
Research and development tax credits	1,048,718	5,363,728	3,414,393
Trust contribution carryforward	20,303,369	18,141,586	20,414,819
Unrealized holdings losses on marketable securities	—	1,391,967	1,544,370
Other	645,373	4,704,847	3,410,552
Investment in joint ventures	284,390	7,166	29,451
	<u>38,074,493</u>	<u>37,679,199</u>	<u>36,374,916</u>
Deferred tax liabilities:			
Other	(773,374)	(801,905)	(334,117)
Unrealized holdings gains on marketable securities	(843,803)	—	—
Property and equipment	(5,910,585)	(6,375,020)	(6,438,652)
	<u>(7,527,762)</u>	<u>(7,176,925)</u>	<u>(6,772,769)</u>
Net deferred tax asset	\$ <u>30,546,731</u>	<u>30,502,274</u>	<u>29,602,147</u>

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that all or some portion of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities (including the effect of available carryback and carryforward periods), projected future taxable income, and tax-planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that the Company will realize the benefits of these deductible differences at December 31, 2025. The amount of the deferred tax asset considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carryforward period are reduced. The Company's Trust contribution carryforwards in the amount of \$79,881,853 expire in various periods from 2035 through 2040. The Company's U.S federal net operating loss (NOL) carryforwards in the amount of \$46,462,368 do not expire.

NOTE 16: Business Acquisition

On May 31, 2024, a subsidiary of the Company acquired 100% of the total outstanding stock of Link Technologies, Inc. Link Technologies Inc. provides expert advice, assistance, guidance and counseling services to the U.S. Department of Energy and National Nuclear Security Administration. The following table summarizes the consideration paid for Link Technologies, Inc. along with the amounts of the assets acquired and liabilities assumed which were recognized at the acquisition date:

Consideration:	
Cash	\$ 5,000,000
Holdback payable	2,000,000
Contingent consideration	<u>2,000,000</u>
Fair value of consideration	\$ <u>9,000,000</u>
Identifiable assets acquired and liabilities assumed:	
Cash	\$ 263,165
Accounts receivable	1,528,123
Other assets	212,148
Liabilities	(799,521)
Goodwill recognized	<u>7,796,085</u>
	\$ <u>9,000,000</u>

The purchase price includes contingent consideration of up to \$250,000 in 2025, \$500,000 in 2026, \$500,000 in 2027, and \$750,000 in 2028, depending on Link Technologies Inc. meeting various EBITDA targets. The purchase price also includes holdback of \$1.25 million in 2025, \$250,000 in 2026, \$250,000 in 2027, and \$250,000 in 2028. Payments totaling \$1.5 million related to contingent consideration and earn-out obligations were made during 2025. Goodwill represents expected future cash flows generated by Link Technologies, Inc.'s workforce and expected synergies. Transaction costs of \$296,096 related to the acquisition are included in operating expenses in 2024. A deferred tax liability of \$237,294 was generated from the acquisition, increasing goodwill to \$8,033,379 at December 31, 2024. Goodwill will not be amortized for tax.

NOTE 17: Benefit Plans**Defined Contribution Plan**

The Company sponsors an employee benefit plan (the Plan), which covers substantially all employees over the age of 18. The plan year runs from January 1 to December 31. Employees are eligible for matching contributions in the Plan at date of hire. In 2025, Plan participants may elect to contribute up to \$23,500 per year or \$31,000 if age 50 or over. The Company matches a one percent employer contribution for each one percent employee contribution, up to 3% of eligible wages per pay period. Employer contributions are fully vested after three years of service. Matching contributions charged to operations for the years ended December 31, 2025, 2024 and 2023 totaled \$1,912,455, \$1,706,657, and \$1,610,262 respectively.

Deferred Compensation Plan

The Company maintains a Nonqualified Deferred Compensation plan in the form of a Rabbi Trust covering key managerial employees of the Company. The Rabbi Trust gives certain senior employees the ability to defer all or a portion of their salaries and bonuses to marketable securities that can be bought and sold at the employee's discretion. The assets are comprised of mutual funds, all of which are classified as trading securities and are carried at their fair value based on the quoted market prices of the securities for 2025, 2024, and 2023. Net realized and unrealized gains and losses on trading securities are included in earnings. The assets of the Rabbi Trust are available to satisfy the claims of the Company's creditors in the event of bankruptcy or insolvency of the Company. Participants may make voluntary pre-tax contributions to the Nonqualified Deferred Compensation Plan. At December 31, 2025, 2024, and 2023, the amount payable under the Nonqualified Deferred Compensation Plan was equal to the value of the assets owned by the Company. These assets total \$3,387,473, \$3,097,208, and \$3,140,985 for the years ended December 31, 2025, 2024, and 2023, respectively and are included in other assets, and the liability is classified as other liability in the accompanying consolidated balance sheets.

Multi-Employer Pension Plans

The Company participates in multi-employer defined benefit noncontributory pension plans with various unions. Substantially all employees represented by bargaining agents are covered under the plan. Contributions for the cost of the plan amounted to \$2,555,970, \$2,540,613, and \$2,730,446 for the years ended December 31, 2025, 2024, and 2023, respectively. Contributions are based on wages paid to employees. The Company's participation in these plans is outlined in the following table:

<u>Pension Trust Fund</u>	Pension <u>Plan EIN</u>	<u>Contributions Per Year</u>			Protection ACT Zone <u>Status</u>	Improvement Plan/ Withdrawal <u>Probable</u>	Surcharge Imposed/ Funding <u>Greater 5%</u>	Expiration Date of <u>CBA</u>
		<u>2025</u>	<u>2024</u>	<u>2023</u>				
Alaska Laborers Trust Fund – Local 341	91-6028298	\$ 270,799	234,431	480,668	Green	No/No	No/No	6/30/2025
Alaska Laborers Trust Fund – Local 942	91-6028298	301,978	308,961	237,003	Green	No/No	No/No	6/30/2025
Operating Engineers Local 302	91-6028571	971,450	1,028,827	951,496	Green	No/No	No/No	12/31/2025
Alaska Teamsters Employer Trust - Local 959	92-6003463	724,308	816,282	808,257	Red	Yes/Yes	No/No	12/31/2025
Western Conf. of Teamsters	91-6145047	14,363	19,035	19,179	Green	No/No	No/No	12/31/2025
Central Pension Fund of the International Union of Operating Engineers	36-6052390	—	12,194	88,369	Green	No/No	No/No	12/31/2025
Alaska Electrical Trust Fund – Local 250	92-6005171	75,397	33,086	87,424	Green	No/No	No/No	12/31/2025
Laborers - Local 397	37-6085017	—	—	58,050	Green	No/No	No/No	12/31/2023
Laborers International Union of North America LiUNA	85-0069141	24,816	12,069	—	Green	No/No	No/No	12/31/2025
Oklahoma Operating Engineers	73-0790052	—	2,728	—	Green	No/No	No/No	12/31/2024
Operating Engineers Local 150	36-6140097	59,881	28,941	—	Green	No/No	No/No	12/31/2025
Brotherhood of Carpenters Local 174	36-2443112	64,761	44,059	—	Green	No/No	No/No	12/31/2025
32BJ SRSF	13-1879376	31,601	—	—	Green	No/No	No/No	6/30/2025
Industrial, Technical, and Professional Employees Union, OPEI Local 4873, AFL-CIO	11-2506736	16,616	—	—	Green	No/No	No/No	8/30/2025

NOTE 18: Commitments and Contingencies

The Company is subject to various small claims, which arise in the normal course of business. In the opinion of management, the ultimate disposition of these claims will not have a material effect on the financial position or results of operations of the Company.

The Company incurred various costs on U.S. Government contracts from 2018 through 2025 that were reimbursed from the U.S. Government. The U.S. Government has the right to audit these costs. Disallowed costs, if any, would have to be reimbursed to the U.S. Government. Management believes that disallowed costs, if any, would be insignificant to the Company. At this time no material adjustments or audit issues are outstanding on U.S. Government contracts.

NOTE 19: Subsequent Events

The Company performs an evaluation of all events and transactions occurring subsequent to the balance sheet date to determine whether any events or transactions require recognition or disclosure in the financial statements. The Company evaluated subsequent events through February 27, 2026, the date on which the financial statements were available to be issued.

CONNECT WITH THE “MYAHTNA” SHAREHOLDER PORTAL ❁

Ahtna’s shareholder portal, MyAhtna, is a free, online resource that provides shareholders with easy access to a wealth of information.

The portal can be accessed at MyAhtna.com or through a secure link on the Ahtna website. It allows shareholders the convenience of making certain record changes online (such as updating mailing addresses and other contact information), viewing payment information, printing dividend confirmations, and viewing information about shares owned.

GO PAPERLESS!

Shareholders now have the option to receive Annual Meeting packet materials and the Kanas newsletter electronically instead of through the mail. By going paperless, you will be helping to save trees and eliminate printing and mailing costs.

WHO CAN REGISTER?

You must be an Ahtna shareholder who is at least 18 years of age and not subject to a guardianship or conservatorship order. An email address must be on file in the Ahtna stock records, and that email address must not have been used by another shareholder to create an Ahtna account. As an example, if a husband and wife are both shareholders and have the same email address on file with Ahtna, only one may create a portal account using that email address.

If you experience any problems when using MyAhtna, you may find an explanation in the troubleshooting document, which is accessible on the MyAhtna sign-in screen or, if you are already signed in, by clicking on the link under your name on the top right-hand side of the screen. As always, Shareholder Services is happy to assist. Contact us by calling (907) 822-3476 or emailing shservices@ahтна.net.

REGISTER TODAY! MyAhtna.com

- ◆ UPDATE MAILING ADDRESS AND OTHER CONTACT INFORMATION
- ◆ VIEW PAYMENT INFORMATION
- ◆ PRINT DIVIDEND CONFIRMATIONS
- ◆ VIEW INFORMATION ABOUT SHARES OWNED

GETTING READY TO REGISTER

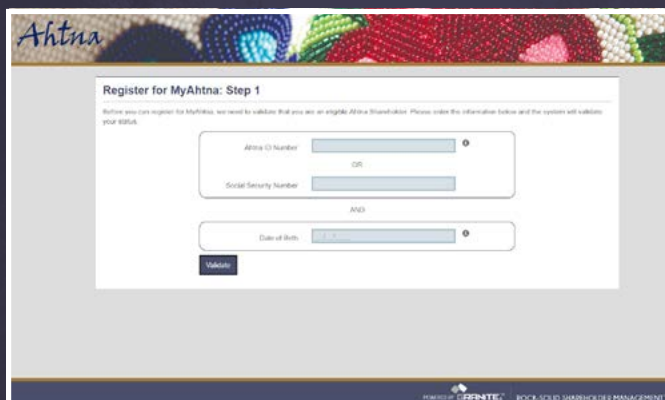
You will need your social security number or your shareholder identification (ID) number, which can be requested from Shareholder Records.

HOW TO REGISTER

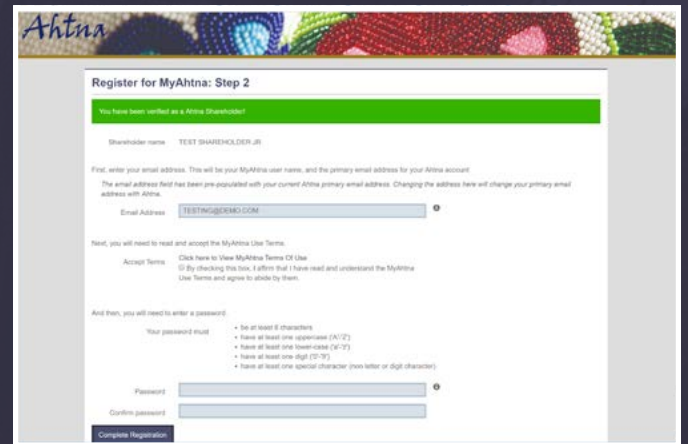
1. Type "MyAhtna.com" into your browser.
2. When the "Connect with MyAhtna" sign-in screen appears, click the word "here" in the sentence "Click here to get started."



3. A new screen will appear, and you will be prompted to enter your shareholder ID number or social security number and your date of birth. When you have entered the requested information, click the "Validate" button.



4. If the information you entered matches the information in Ahtna's shareholder database, you will advance to a new screen. If not, a message will appear on the screen to alert you to issues.
5. The final steps of the registration process are adding or confirming your email address, agreeing to abide by the "MyAhtna Terms of Use," and creating a password.



Once you have successfully created a MyAhtna account, you may sign in again any time by visiting MyAhtna.com. To safeguard your information, your MyAhtna sign-in information should be treated confidentially and never shared. Additional tips for keeping your portal account secure may be accessed by clicking the "security" link on the MyAhtna sign-in screen.

NEED HELP?

Contact Shareholder Services by calling (907) 822-3476 or emailing shservices@ahnta.net.

MyAhtna.com



Ahtna

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