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# DELTA REPORT

## 10-K

PLOW - DOUGLAS DYNAMICS, INC

10-K - DECEMBER 31, 2024 COMPARED TO 10-K - DECEMBER 31, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 2636

CHANGES	643
DELETIONS	963
ADDITIONS	1030

[Table of Contents](#)

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-K

(Mark One)

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended **December 31, 2023** **December 31, 2024**

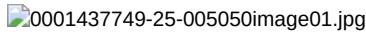
or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. **001-34728 001-34728**

**DOUGLAS DYNAMICS, INC.**



(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**13-4275891**

(I.R.S. Employer  
Identification No.)

**11270 W Park Place Ste. 300**

**Milwaukee, Wisconsin**

(Address of principal executive offices)

**53224**

(Zip Code)

Registrant's telephone number, including area code **(414) 354-2310**

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$.01 per share	PLOW	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **NONE**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No .

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No .

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No .

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

At **June 30, 2023** **June 28, 2024**, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the voting stock of the Registrant held by stockholders who were not affiliates of the Registrant was approximately **\$687** **\$540** million (based upon the closing price of Registrant's Common Stock on the New York Stock Exchange on such date). At **February 27, 2024** **February 25, 2025**, the Registrant had outstanding an aggregate of **22,983,965** **23,094,047** shares of its Common Stock.

Documents Incorporated by Reference:

Portions of the Proxy Statement for the Registrant's Annual Meeting of Shareholders to be held on **April 23, 2024** **April 29, 2025**, which Proxy Statement will be filed with the Securities and Exchange Commission no later than 120 days after the close of the fiscal year ended **December 31, 2023** **December 31, 2024**, are incorporated into Part III.

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Table of Contents

<b>PART I</b>		<b>2</b>
<a href="#">Item 1.</a>	<a href="#">Business</a>	<a href="#">3</a>
<a href="#">Item 1A.</a>	<a href="#">Risk Factors</a>	<a href="#">12</a>
<a href="#">Item 1B.</a>	<a href="#">Unresolved Staff Comments</a>	<a href="#">23</a>
<a href="#">Item 1C.</a>	<a href="#">Cybersecurity</a>	<a href="#">23</a>
<a href="#">Item 2.</a>	<a href="#">Properties</a>	<a href="#">23</a>
<a href="#">Item 3.</a>	<a href="#">Legal Proceedings</a>	<a href="#">23</a>
<a href="#">Item 4.</a>	<a href="#">Mine Safety Disclosures</a>	<a href="#">23</a>
<b>PART II</b>		<b>25</b>
<a href="#">Item 5.</a>	<a href="#">Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</a>	<a href="#">25</a>
<a href="#">Item 6.</a>	<a href="#">[Reserved]</a>	<a href="#">27</a>
<a href="#">Item 7.</a>	<a href="#">Management Discussion and Analysis of Financial Condition and Results of Operations</a>	<a href="#">27</a>
<a href="#">Item 7A.</a>	<a href="#">Quantitative and Qualitative Disclosures About Market Risk</a>	<a href="#">45</a> <a href="#">44</a>
<a href="#">Item 8.</a>	<a href="#">Financial Statements and Supplementary Data</a>	<a href="#">46</a> <a href="#">45</a>
<a href="#">Item 9.</a>	<a href="#">Changes in and Disagreements with Accountants on Accounting and Financial Disclosures</a>	<a href="#">46</a> <a href="#">45</a>
<a href="#">Item 9A.</a>	<a href="#">Controls and Procedures</a>	<a href="#">46</a> <a href="#">45</a>
<a href="#">Item 9B.</a>	<a href="#">Other Information</a>	<a href="#">47</a> <a href="#">46</a>
<a href="#">Item 9C.</a>	<a href="#">Disclosure Regarding Foreign Jurisdictions that Prevent Inspections</a>	<a href="#">47</a> <a href="#">46</a>
<b>PART III</b>		<b>47</b> <b>46</b>
<a href="#">Item 10.</a>	<a href="#">Directors, Executive Officers and Corporate Governance</a>	<a href="#">47</a> <a href="#">46</a>
<a href="#">Item 11.</a>	<a href="#">Executive Compensation</a>	<a href="#">48</a> <a href="#">47</a>

<a href="#">Item 12.</a>	<a href="#">Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters</a>	<a href="#">48 47</a>
<a href="#">Item 13.</a>	<a href="#">Certain Relationships and Related Transactions, and Director Independence</a>	<a href="#">49 48</a>
<a href="#">Item 14.</a>	<a href="#">Principal Accounting Fees and Services</a>	<a href="#">49 48</a>
<a href="#">PART IV</a>		<a href="#">49 48</a>
<a href="#">Item 15.</a>	<a href="#">Exhibits and Financial Statement Schedules</a>	<a href="#">49 48</a>
<a href="#">Item 16</a>	<a href="#">Form 10-K Summary</a>	<a href="#">49 48</a>
<a href="#">Exhibit Index</a>		<a href="#">50 49</a>
<a href="#">Signatures</a>		<a href="#">53 52</a>
<a href="#">Index to Consolidated Financial Statements</a>		<a href="#">F-1</a>

## PART I

### Forward Looking Statements

This Annual Report on Form 10-K contains "forward-looking statements" made within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will" and similar expressions are intended to identify forward - looking statements. In addition, statements covering our future sales or financial performance and our plans, performance and other objectives, expectations or intentions are forward-looking statements, such as statements regarding our liquidity, debt, planned capital expenditures, and adequacy of capital resources and reserves. Factors that could cause our actual results to differ materially from those expressed or implied in such forward-looking statements include, but are not limited to:

- Weather conditions, particularly lack of or reduced levels of snowfall and the timing of such snowfall, including as a result of global climate change;
- Our ability to manage general economic, business and geopolitical conditions, including the impacts of natural disasters, labor strikes, global political instability, adverse developments affecting the banking and financial services industries, pandemics and outbreaks of contagious diseases and other adverse public health developments;
- Increases in the price of steel or other materials, including as a result of tariffs or inflationary conditions, necessary for the production of our products that cannot be passed on to our distributors;
- Our inability to maintain good relationships with the original equipment manufacturers ("OEM") with whom we currently do significant business;
- The inability of our suppliers and OEM partners to meet our volume or quality requirements;
- Increases in the price of steel or other materials, including as a result of tariffs, necessary for the production of our products that cannot be passed on to our distributors;
- Increases in the price of fuel or freight;
- The effects of laws and regulations and their interpretations on our business and financial conditions, including policy or regulatory changes related to climate change;
- A significant decline in economic conditions;
- Our inability to maintain good relationships with our distributors;
- Lack of available or favorable financing options for our end-users, distributors or customers;

- Inaccuracies in our estimates of future demand for our products;
- Our inability to protect or continue to build our intellectual property portfolio;
- Our inability to develop new products or improve upon existing products in response to end-user needs;
- The effects of laws and regulations and their interpretations on our business and financial condition;
- Losses due to lawsuits arising out of personal injuries associated with our products;
- Factors that could impact the future declaration and payment of dividends or our ability to execute repurchases under our stock repurchase program; **and**
- **Our inability to effectively manage the use of artificial intelligence;**
- Our inability to compete effectively against our **competition, competition;** **and**
- **Our inability to successfully implement our new enterprise resource planning system at Dejana.**

We undertake no obligation to revise the forward-looking statements included in this Annual Report on Form 10-K to reflect any future events or circumstances. Our actual results, performance or achievements could differ materially from the results expressed in, or implied by, these forward-looking statements. Factors in addition to those listed above that could cause or contribute to such differences are discussed in Item 1A, "Risk Factors" of the Annual Report on Form 10-K.

## Item 1. Business

### Overview

Home to the best-selling brands in the industry, Douglas Dynamics, Inc. (the "Company," "we," "us," "our") is North America's premier manufacturer and upfitter of commercial work truck attachments and equipment. For more than 75 years, the Company has been innovating products that enable end-users to perform their jobs more efficiently and effectively, providing opportunities for businesses to increase profitability. Our commitment to continuous improvement enables us to consistently produce high quality products and drive shareholder value. The Douglas Dynamics portfolio of products and services is separated into two segments: First, the Work Truck Attachments segment, which includes our operations that manufacture and sell snow and ice control attachments and other products sold under the FISHER®, SNOWEX® and WESTERN® brands, as well as our vertically integrated products. Second, the Work Truck Solutions segment, which includes manufactured municipal snow and ice control products under the HENDERSON® brand and the upfit of market leading attachments and storage solutions under the HENDERSON® brand, and the DEJANA® brand and its related sub-brands. For additional financial information regarding our reportable business segments, see Note 16 of the Notes to Consolidated Financial Statements of this report.

In our Work Truck Attachments segment, we offer a broad product line of snowplows and sand and salt spreaders for light trucks that we believe to be the most complete line offered in the U.S. and Canadian markets. We also provide a full range of related parts and accessories, which generates an ancillary revenue stream throughout the lifecycle of our snow and ice control equipment. For the years ended **December 31, 2023** December 31, 2024, 2023 and 2022, 82%, 84% and 2021, 84%, 85% and 84% of our net sales in our Work Truck Attachments segment were generated from sales of snow and ice control equipment, respectively, and **16% 18%, 15% 16%** and **16% 15%** of our net sales in our Work Truck Attachments segment were generated from sales of parts and accessories, respectively. While we measure sales of parts and accessories separately from snow and ice control equipment, they are integrated with one another and are not separable.

We sell our Work Truck Attachments products through a distributor network primarily to professional snowplowers who are contracted to remove snow and ice from commercial and residential areas. We have engendered exceptional customer loyalty for our products because of our ability to satisfy the stringent demands of our customers for a high degree of quality, reliability and service. As a result, we believe our installed base is the largest in the light truck market with over 500,000 snowplows and sand and salt spreaders in service. Because sales of snowplows and sand and salt spreaders are primarily driven by the need of our core end-user base to replace worn existing equipment, we believe our substantial installed base provides us with a high degree of predictable sales over any extended period of time.

We believe that our Work Truck Attachments segment has the snow and ice control industry's most extensive distribution network worldwide, which consists of approximately 3,100 3,000 points of sale. Direct points of shipment are predominantly through North American truck equipment and lawn care equipment distributors. Most of our distributors are located throughout the snow belt regions in North America (primarily the Midwest, East and Northeast regions of the United States as well as all provinces of Canada). We have longstanding relationships with many of our distributors. We continually seek to grow and optimize our network by opportunistically adding high-quality, well-capitalized distributors in select geographic areas and by cross-selling our industry leading brands within our distribution network. We have extended our reach to international markets, establishing distribution relationships in Northern Europe and Asia, where we believe meaningful growth opportunities exist.

Our Work Truck Solutions segment participates in the manufacture of municipal snow and ice control products and offers a complementary line of upfitting services and products. Our Work Truck Solutions products consist of truck and vehicle upfits where we attach component pieces of equipment, truck bodies, racking, and storage solutions with varying levels of complexity to a vehicle chassis, and which are typically used by end-users for work related purposes. Our Work Truck Solutions segment is a premier upfitter of Class 3 - 8 trucks and other commercial work vehicles. We also provide customized turnkey solutions to governmental agencies such as Departments of Transportation ("DOTs") and municipalities. Additionally, we believe that our Work Truck Solutions segment is a leading specialized manufacturer of storage solutions for trucks and vans and cable pulling equipment for trucks. We believe we are a regional market leader in the truck and vehicle upfitting market. We believe that our Work Truck Solutions business possesses significant customer relationships comprised of approximately 2,700 customers across the truck equipment industry. We have longstanding relationships with many of our Work Truck Solutions customers. We continually seek to grow and strengthen our customer relationships by providing custom solutions to our customers' evolving specialty upfit needs. We are able to serve our Work Truck Solutions customers' needs through our bailment and floor plan agreements with original equipment vehicle manufacturers who supply truck chassis, on which we perform custom upfits for our customers.

We believe we are a leader in operational efficiency in our industries, resulting from our application of lean manufacturing principles, our vertical integration, and a highly variable cost structure. We continually seek to use lean principles to reduce costs and increase the efficiency of our manufacturing operations. During the year ended December 31, 2023 December 31, 2024 we manufactured our developed products and upfitted vehicles in five facilities one facility that we own in Milwaukee, Wisconsin; Rockland, Maine; Madison Heights, Michigan; Manchester, Iowa; and Huntley, Illinois, Maine. We also lease seventeen twenty-two manufacturing, service and upfit facilities, located in Iowa, Illinois, Maine, Maryland, Michigan, Missouri, New Jersey, New York, Ohio, Pennsylvania, Rhode Island and Rhode Island, Wisconsin. Furthermore, our manufacturing efficiency allows us to deliver desired products quickly to our customers, especially during times of sudden and unpredictable snowfall events when our customers need our products immediately. During the year ended December 31, 2024, the Company closed on a sale leaseback transaction with an unrelated third party. Under this transaction, the Company sold seven properties with a combined net book value of \$21,852 for gross proceeds of \$64,150, which was reduced by transaction costs of \$5,494 for net cash proceeds of approximately \$58,656. The properties in the sale leaseback transaction are comprised of three facilities located in Milwaukee, Wisconsin and four additional facilities located in each of Huntley, Illinois; Manchester, Iowa; Rockland, Maine; and Madison Heights, Michigan, totaling approximately 780,000 square feet of manufacturing and upfitting space. See Note 6 to our audited consolidated financial statements for additional information.

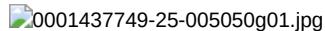
## Our Industry

### **Work Truck Attachments Segment**

Our Work Truck Attachments Segment participates primarily in the snow and ice control equipment industries in North America. These industries consist predominantly of domestic participants that manufacture their products in North America. The annual demand for snow and ice control equipment is driven primarily by the replacement cycle of the existing installed base, which is predominantly a function of the average life of a snowplow or spreader and is driven by usage and maintenance practices of the end-user. We believe actively-used snowplows are typically replaced, on average, every 9 to 12 years.

We believe that sales of both light and heavy duty snow and ice control equipment are driven primarily by the replacement cycle of the existing installed base, which is predominantly a function of the average life of a snowplow or spreader and is driven by usage and maintenance practices of the end-user. The primary factor influencing the replacement cycle for snow and ice control equipment for light trucks is the level, timing and location of snowfall. Sales of snow and ice control equipment in any given year and region are most heavily influenced by local snowfall levels in the prior snow season. Heavy snowfall during a given winter causes equipment usage to increase, resulting in greater wear and tear and shortened life cycles, thereby creating a need for replacement equipment and additional parts and accessories.

While snowfall levels vary within a given year and from year-to-year, snowfall, and the corresponding replacement cycle of snow and ice control equipment, is relatively consistent over multi-year periods. The following chart depicts aggregate annual and ten-year (based on the typical life of our snowplows) rolling average of the aggregate snowfall levels in 66 cities in 26 snow belt states across the Northeast, East, Midwest and Western United States where we monitor snowfall levels from 1983 to 2023, 2024. As the chart indicates, since 1984, aggregate snowfall levels in any given rolling ten-year period have been fairly consistent, ranging from 2,782 2,738 to 3,345 inches.



Note: The 10-year rolling average snowfall is not presented prior to 1984 for purposes of the calculation due to lack of snowfall data prior to 1975. Snowfall data in this chart is not adjusted for snowfall outside of the 66 cities in the 26 states reflected.

Source: National Oceanic and Atmospheric Administration's National Weather Service.

The demand for snow and ice control equipment can also be influenced by general economic conditions in the United States, as well as local economic conditions in the snow-belt regions in North America. In stronger economic conditions, our end-users may choose to replace or upgrade existing equipment before its useful life has ended, while in weak economic conditions, our end-users may seek to extend the useful life of equipment, thereby increasing the sales of parts and accessories. However, since snow and ice control management is a non-discretionary service necessary to ensure public safety and continued personal and commercial mobility in populated areas that receive snowfall, end-users cannot extend the useful life of snow and ice control equipment indefinitely and must replace equipment that has become too worn, unsafe or unreliable, regardless of economic conditions. While our parts and accessories yield slightly higher gross margins than our snow and ice control equipment, they yield significantly lower revenue than equipment sales, which adversely affects our results of operations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Seasonality and Year-to-Year Variability."

Long-term growth in the overall snow and ice control equipment market also results from geographic expansion of developed areas in the snow belt regions of North America (primarily the Midwest, East and Northeast regions of the United States as well as all provinces of Canada), as well as consumer demand for technological enhancements in snow and ice control equipment and related parts and accessories that improves efficiency and reliability. Continued construction in the snow belt regions in North America increases the aggregate area requiring snow and ice removal, thereby growing the market for snow and ice control equipment. Additionally, there is continued potential for growth within Work Truck Attachments related to the sale of non-truck snow and ice control equipment, including utility terrain vehicle ("UTV") plows and other such equipment. Additionally, in order to ensure reliable commerce and safe roads, distribution of our ice control equipment continues to expand into states south of the snow belt. The development and sale of more reliable, more efficient and more sophisticated products have historically contributed to an approximate 2% to 4% average unit price increase, in each of 2017 through 2020. In 2021 through 2023, more significant with higher price increases were implemented across both Work Truck Attachments and Work Truck Solutions in response to materials, freight and labor inflation, inflationary environments. There were multiple price increases ranging from the low-single digits to low-double digits that were implemented at various points in 2021 through 2023. In 2024, average unit price increases were more in line with historical averages.

#### **Work Truck Solutions Segment**

Our Work Truck Solutions Segment primarily participates in the manufacture of municipal snow and ice control products, as well as in the truck and vehicle upfitting industry in the United States. This industry consists predominantly of domestic participants that upfit work trucks and vehicles. Specifically, there are regional market leaders that operate in close proximity to the original equipment vehicle manufacturers' facilities and vehicle ports of entry. In addition to the regional market leaders, there exist smaller upfit businesses. Our Work Truck Solutions segment competes against both the other regional market leaders and the smaller market participants. The annual demand for upfit vehicles is subject to the general macro-economic environment trends and municipal budgets.

We believe our Work Truck Solutions segment is a regional market leader in the Northeast and Mid-Atlantic regions of the United States. We serve a variety of different customers that include dealers who typically sell to light and heavy duty truck end-users and to large national customers who purchase fleets of upfitted vehicles. Heavy duty truck end-users typically are comprised of local governments and municipalities which plan for and execute planned replacement of equipment over time. Approximately half of our revenues are derived from dealer customers, while approximately 40% of our revenues are fleet sales and sales to governmental entities. Our remaining sales are derived from over the counter sales of parts and accessories.

Long term growth in the truck and vehicle upfit market will depend on technological advances in the component products and advances in the original equipment manufacturer's vehicles, as well as customer demand for such products. Along with technological advancements, end-users are demanding more specialized vehicles specifically related to their unique work related needs, which we expect will further increase demand. Along with technological advancements, products become more complex in the marketplace, thus increasing the importance of the role of the truck upfitter in the value chain. In 2021 through 2023, more significant price increases were implemented across Work Truck Solutions in response to materials, freight and labor inflation. There were multiple price increases ranging from the mid-single digits to low-double digits that were implemented at various points in 2021 through 2022 and 2023. In 2024, average unit price increases were more in line with historical averages of 2% to 4% per year.

## Our Competitive Strengths

We compete solely with other North American manufacturers and upfitters who do not benefit from our manufacturing efficiencies, depth and breadth of products, extensive distributor network and customer relationships. As the market leader in the industries we serve, we enjoy a set of competitive advantages versus smaller competitors, which allows us to generate robust cash flows in all market environments and to support continued investment in our products, distribution capabilities and brand regardless of annual volume fluctuations. We believe these advantages are rooted in the following competitive strengths and reinforce our industry leadership over time.

**Exceptional Customer Loyalty and Brand Equity.** Our brands enjoy exceptional customer loyalty and brand equity in the snow and ice control equipment and truck upfitting industries with both end-users and distributors, which have been developed through over 75 years of superior innovation, productivity, reliability and support, consistently delivered year after year. We believe past brand experience, rather than price, is the key factor impacting our products.

**Broader and Most Innovative Product Offering in Work Truck Attachments.** In our Work Truck Attachments segment, we provide the industry's broadest product offering with a full range of snowplows, sand and salt spreaders and related parts and accessories. We believe we maintain the industry's largest and most advanced in-house new product development program, historically introducing several new and redesigned products each year. Our broad product offering and commitment to new product development is essential to maintaining and growing our leading market share position as well as continuing to increase the profitability of our business. Meanwhile, at our Work Truck Solutions segment, each upfit is customized to the specific needs of our customers.

**Extensive North American Distributor Network in Work Truck Attachments.** With approximately 3,100 3,000 points of sale at our Work Truck Attachments segment, we benefit from having what we believe to be the most extensive distributor network in the light truck and heavy duty snow and ice control equipment industry, providing a significant competitive advantage over our peers. Our distributors function not only as sales and support agents (providing access to parts and service), but also as industry partners providing real-time end-user information, such as retail inventory levels, changing consumer preferences or desired functionality enhancements, which we use as the basis for our product development efforts.

**Leader in Operational Efficiency.** We believe we are a leader in operational efficiency in our industries, resulting from our application of lean manufacturing principles and a highly variable cost structure. By utilizing lean principles, we are able to adjust production levels easily to meet fluctuating demand, while controlling costs in slower periods. This operational efficiency is supplemented by our highly variable cost structure, driven in part by our access to a sizable temporary workforce (comprising approximately 10-15% of our Work Truck Attachments workforce during average snowfall years), which we can quickly adjust, as needed. These manufacturing efficiencies enable us to respond rapidly to urgent customer demand during times of sudden and unpredictable snowfalls, allowing us to provide exceptional service to our existing customer base and capture new customers from competitors that we believe cannot service their customers' needs with the same speed and reliability.

**Strong Cash Flow Generation.** We are able to generate significant cash flow as a result of relatively consistent high profitability, low capital spending requirements and predictable timing of our working capital requirements. Our significant cash flow has allowed us to reinvest in our business, pay down long term debt, pay substantial dividends to our stockholders, and make strategic acquisitions.

**Experienced Management Team.** We believe our business benefits from an exceptional management team that is responsible for establishing our leadership in the light truck and heavy duty snow and ice control equipment and truck upfitting industries. Our senior management team consisting consisted of four officers as of December 31, 2023, has an average of approximately eleven years of weather-related industry experience and an average of over eleven years with our company. On January 1, 2019 December 31, 2024. Effective July 8, 2024, Robert McCormick became our retired as the Company's President and Chief Executive Officer. Effective July 8, 2024, James Janik was elected as the Company's Interim President and Chief Executive Officer. He has been with us an officer and/or director of our Company for over 19 27 years and has served in various roles, including Chief Operating Officer Executive Chairman and Chief Financial Executive Officer, among others. Through management's strategic vision, we have been able to expand our distributor network and grow what we believe is our market leading position.

## Our Business Strategy

Our business strategy is to capitalize on our competitive strengths to maximize cash flow to reinvest in our business, pay dividends, reduce indebtedness, execute repurchases under our stock repurchase program and to create stockholder value. We have also developed a management system called the Douglas Dynamics Management System ("DDMS") that is intended to assist in value creation and enhanced customer service and includes a collection of tools to solve problems and deliver greater value to our customers by eliminating waste and improving the way we work. DDMS is an integrated system that continues to evolve with our business to deliver on strategic priorities and goals through a culture of continuous improvement, people who embrace change, world-class processes, and practical tools. The building blocks of our strategy are:

**Continuous Product Innovation.** We believe new product innovation is critical to maintaining and growing our market leading position in the snow and ice control equipment industry. We will continue to focus on developing innovative solutions to increase productivity, ease of use, reliability, durability and serviceability of our products and on incorporating lean manufacturing concepts into our product development process, which has allowed us to reduce the overall cost of development and, more importantly, to reduce our time-to-market.

**Distributor Network and Customer Optimization.** At our Work Truck Attachment segment, we will continually seek opportunities to expand our extensive distribution network by adding high-quality, well-capitalized distributors in select geographic areas and by cross-selling our industry leading brands within our distribution network to ensure we maximize our ability to generate revenue while protecting our industry leading reputation, customer loyalty and brands. We will also focus on optimizing this network by providing in-depth training, valuable distributor support and attractive promotional and incentive opportunities. As a result of these efforts, we believe a majority of our distributors choose to sell our products exclusively. We believe this sizable high quality network is unique in the industry, providing us with valuable insight into purchasing trends and customer preferences, and would be very difficult to replicate. At our Work Truck Solutions segment, we have well developed customer relationships resulting from being responsive to the needs of our customers. We will seek opportunities to continue to expand our customer group by increasing throughput, allowing us to grow our customer base and continue to be responsive to our customers' specialized upfit needs.

**Aggressive Asset Management and Profit Focus.** We will continue to aggressively manage our assets in order to maximize our cash flow generation despite seasonal and annual variability in snowfall levels that affect our Work Truck Attachments segment. We believe our ability is unique in our industry and enables us to achieve attractive margins in all snowfall environments. Key elements of our asset management and profit focus strategies include:

- employment of a highly variable cost structure, which can allow us to quickly adjust costs in response to real-time changes in demand;
- use of enterprise-wide lean principles, which allow us to easily adjust production levels up or down to meet demand;
- implementation of a pre-season order program, which incentivizes distributors to place orders prior to the retail selling season and thereby enables us to more efficiently utilize our assets; and
- development of a vertically integrated business model, which we believe provides us cost advantages over our competition.

Additionally, although modest, our capital expenditure requirements and operating expenses can be temporarily reduced in response to anticipated or actual lower sales in a particular year to maximize cash flow.

**Flexible, Lean Enterprise Platform.** We will continue to utilize lean principles to maximize the flexibility, efficiency and productivity of our manufacturing operations while reducing the associated costs, enabling us to increase distributor and end-user satisfaction. For example, in an environment where shorter lead times and near-perfect order fulfillment are important to our distributors, we believe our lean processes have helped us to improve our shipping performance and build a reputation for providing industry leading shipping performance.

#### Our Growth Opportunities

**Opportunistically Seek New Products and New Markets.** We plan to continue to evaluate other acquisition opportunities within our industry that can help us expand our distribution reach, enhance our technology and as a consequence improve the breadth and depth of our product lines. We also consider diversification and vertical integration opportunities in adjacent markets that complement our business model and could offer us the ability to leverage our core competencies to create stockholder value.

**Increase Our Industry Leading Market Share.** In our Work Truck Attachments segment, we plan to leverage our industry leading position, distribution network and new product innovation capabilities to capture market share in the North American snow and ice control equipment market, focusing our primary efforts on increasing penetration in those North American markets where we believe our overall market share is less than 50%, including the heavy duty truck market. At our Work Truck Solutions segment, we plan to leverage our regional market leading position and utilize DDMS to further penetrate upfit markets and to grow our customer base.

#### Order Backlog

We had total backlog of \$348.0 million and \$296.3 million at December 31, 2024 and \$368.7 million at December 31, 2023 and 2022, 2023, respectively. Backlog information may not be indicative of results of operations for future periods.

## Human Capital Management

### *Our Purpose*

Douglas Dynamics is home to the most trusted brands in the industry and is North America's premier manufacturer and upfitter of work truck attachments and equipment. Our commitment to continuous improvement enables us to consistently produce the highest quality products and drive shareholder value. We serve as trusted partners to our dealers, suppliers and end users, whose businesses benefit from our operational and management expertise.

### *Our Culture*

For more than 75 years, Douglas Dynamics has been manufacturing what we believe to be the best products available on the market. Every day, our employees work hard to meet our customers' needs, and every day we, as an organization, are focused on fostering a collaborative environment for our employees and offering them the opportunity to have ownership in our company's success. As of December 31, 2023 December 31, 2024, we employed 1,885 employees, all US based except for 14 employees who work in the Douglas Dynamics Sourcing Office located in Beijing, China. As of February 27, 2024, we employed 1,804 1,673 employees, all US based except for 10 employees who work in the Douglas Dynamics Sourcing Office located in Beijing, China. None of our employees are represented by a union and we are not party to any collective bargaining agreements. We believe that our focus on integrity, teamwork and high-performance have enabled us to create an ideal work environment for every one of our employees. Our Board of Directors and our Compensation Committee regularly receive updates from our senior management with respect to our health and safety, diversity and inclusion and our internal talent development initiatives and priorities.

Our commitment to continuous improvement extends well beyond producing the highest quality products or driving shareholder value—we also value the growth, improvement and engagement of our employees.

Creating a culture of excellence is the key to our success, which is why we work hard to give our employees the tools and training to achieve more. We know that when our employees are taken care of, our business partners get the most out of their Douglas Dynamics experience, helping us to remain North America's premier manufacturer and upfitter of work truck trucks and equipment.

### *Our Core Values and Winning Behaviors*

Our Core Values, *Grow, Improve, and Engage*, are critical to our individual and organizational success and focus us as an organization to ensure we succeed by executing upon the right things.

Also critical to our success are our Winning Behaviors, a framework of priorities that we expect of each Douglas Dynamics employee to support the success of our company, namely, winning as an organization the right way. Our focus on our Winning Behaviors helps ensure a consistent focus on our Core Values across all employees and in all locations.

- **Be Customer and Results Driven:** Consider the customer in everything you do. Focus on meaningful results that benefit both our customers and organization.
- **Anticipate the Possibilities:** See around corners. Envision and embrace new or unique ideas and seek to understand their impact on the future of our business.
- **Collaborate and Care:** Appreciate the value in working together. Work as a team to care for our customers, our business, our communities and most importantly, each other.
- **Communicate Responsibly:** Communicate to build culture and trust. Place an emphasis on listening and speaking in ways that help everyone succeed.
- **Develop Self and Others:** Take active ownership of your development and support others. Continually improve your knowledge, skills and abilities.
- **Get Better Every Day:** Make even the smallest improvement every day. Continuous improvement is at the center of everything we do. Not just what we do, but how we do it, every single day.

### *Talent Development*

Talent development is a critical component of individual and organizational success. We promote our internal Douglas Dynamics University (DDU) to support all employees' development. DDU is one of the services provided by the Organizational Development Team that supports our company's dedication to the performance, development, and growth of our talented people. To truly develop people, we believe in taking a balanced approach to activity selection within the offerings provided by DDU:

Instruction	Interaction	Application
In-Person & Virtual Classes	Coaching	Job Rotations
Self-Paced eLearning	Mentoring	Temporary Assignments
Conferences	Job Shadowing	Projects
Podcasts & Webcasts	Discussions	Challenging Projects
Books & Articles	Interest Groups	Role Playing
Websites	Book Clubs	Doing
Videos	Online Communities	

We achieve the goals of DDU by:

- Developing and delivering live and virtual instructor-led training, and eLearning
- Managing the Douglas Dynamics Learning Center (DDLC) – an eLearning platform
- Supporting projects that require training creation throughout DD
- Developing and delivering team building activities upon request
- Providing training solutions that can be delivered by other teams or certified trainers

#### Our Ethics

Along with our core values and winning behaviors, we act in accordance with our Code of Conduct Policy (Code of Conduct), which creates expectations and provides guidance for all our employees to make the right decisions. Our Code of Conduct covers such topics as anti-corruption, discrimination, harassment, privacy, appropriate use of company assets, protecting confidential information and reporting Code of Conduct violations.

#### Diversity & Inclusion

Douglas Dynamics is deeply committed to increasing diversity and inclusion; however, we continue to have more work to do in inclusion, recognizing opportunities for growth across our footprint. We are investing in multiple initiatives focused on exploring strategies to attract diverse talent. These include engaging with talent through recruiting firms, utilizing job-posting sites, and collaborating with university programs that specialize in connecting companies like Douglas Dynamics with a diverse array of candidates. Moving forward, we will continue to review and refine our initiatives as we seek approaches to further diversify our workforce.

#### Health & Safety

We are committed to the health and safety of our employees. The environment we provide is based on our vision to create a working environment that places the highest value on the welfare of our employees, to instill a sense of ownership, and to embrace excellence in safety, production and quality of work being done.

- Our goals are simple: to create added value for our customers through best in class performance in environmental, health and safety practices. We pledge to place the safety and well-being of our employees first and to embody honesty and integrity in the pursuit of our vision of creating a world class safety culture.
- We are committed to providing world-class products and services that minimize harm to the environment and public health. We are committed not only in regard to our products to our customers but also in the way we conduct internal operations. We look to preserve the environment and will conduct business where feasible in an environmentally sustainable way.

#### Financing Program

We are party to a financing program in which certain distributors may elect to finance their purchases from us through a third party financing company. We provide the third party financing company recourse against us regarding the collectability of the receivable under the program due to the fact that if the third party financing company is unable to collect from the distributor the amounts due in respect of the product financed, we would be obligated to repurchase any remaining inventory related to the product financed and reimburse any legal fees incurred by the financing company. During the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022, distributors financed purchases of \$6.3 million, \$9.0 million \$15.8 million and \$10.5 \$15.8 million through this financing program, respectively. At both December 31, 2023 December 31, 2024 and December 31, 2022 December 31, 2023, there were no uncollectible outstanding receivables related to sales financed under the financing program. The amount owed by our distributors to the third party financing company under this program at December 31, 2023 December 31, 2024 and 2022 2023 was \$13.7 \$8.9 million and \$16.1 \$13.7 million, respectively. We were not required to repurchase repossessed inventory for the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022.

In the past, minimal losses have been incurred under this agreement. However, an adverse change in distributor retail sales could cause this situation to change and thereby require us to repurchase repossessed units. Any repossessed units are inspected to ensure they are current, unused product and are restocked and resold.

#### Intellectual Property

We maintain patents relating to snowplow mounts, assemblies, hydraulics, electronics and lighting systems, brooms, sand, salt and fertilizer spreader assemblies, reel handlers and carriers and shelving systems. Patents are valid for the longer period of 17 years from issue date or 20 years from filing date. The duration of the patents we currently possess range between less than one year and 17 years of remaining life. Our patent applications date from 2005 through 2022.

We rely on a combination of patents, trade secrets and trademarks to protect certain of the proprietary aspects of our business and technology. We hold approximately 45 U.S. registered trademarks (including the trademarks WESTERN®, FISHER®, DEJANA®, SNOWEX®, TURFEX®, SWEPEX®, HENDERSON® and BRINEXTREME®) 13 Canadian registered trademarks, 5 European trademarks, 7 Chinese trademarks, 48 56 U.S. issued patents, and 6 7 Canadian patents.

#### Raw Materials

We have recently experienced increased commodity costs due to market conditions causing the inflation of steel and other commodity prices. Historically, we have mitigated, and we currently expect to continue to mitigate, commodity cost increases in part by engaging in proactive vendor negotiations, reviewing alternative sourcing options, substituting materials, engaging in internal cost reduction efforts, and increasing prices on some of our products, all as appropriate. See the section titled “– Overview” in Management’s Discussion and Analysis of Financial Condition and Results of Operations below for further discussion.

Most of the components of our products are also affected by commodity cost pressures and are commercially available from a number of sources. In 2023 2024 and 2022, 2023, we experienced no significant work stoppages because of shortages of raw materials or commodities, although we did have intermittent shutdowns of various facilities in our Work Truck Solutions segment in 2022 due to other supply chain disruptions. The highest raw material and component costs are generally for steel, which we purchase from several suppliers.

#### Government Regulation

Our operations are subject to certain federal, state and local laws and regulations relating to, among other things, climate change, the generation, storage, handling, emission, transportation, disposal and discharge of hazardous and non-hazardous substances and materials into the environment, the manufacturing of motor vehicle accessories, and employee health and safety. Management believes that the Company’s business is operated in material compliance with all such regulations.

#### Other Information

We were formed as a Delaware corporation in 2004. We maintain a website with the address [www.douglasdynamics.com](http://www.douglasdynamics.com). We are not including the information contained on our website as part of, or incorporating it by reference into, this report. We make available free of charge (other than an investor’s own Internet access charges) through our website our Annual Report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and amendments to these reports, as soon as reasonably practicable after we electronically file such material with, or furnish such material to, the Securities and Exchange Commission (“SEC”). For further information regarding our geographic areas see the Summary of Significant Accounting Policies as discussed in Note 2 to our audited consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

#### Item 1A. Risk Factors

The Company operates in an environment that involves numerous known and unknown risks and uncertainties. Our business, prospects, financial condition and operating results could be materially adversely affected by any of these risks, as well as other risks not currently known to us or that we currently consider immaterial. The risks described below highlight some of the factors that have affected, and in the future could affect our operations.

#### Risks Related to Weather and Seasonality

***Our results of operations for our Work Truck Attachments segment and to a lesser extent our Work Truck Solutions segment depend primarily on the level, timing and location of snowfall. As a result, a decline in snowfall levels in multiple regions for an extended time, including as a result of climate change, could cause our results of operations to decline and adversely affect our ability to generate cash flow.***

As a manufacturer through our Work Truck Attachments segment of snow and ice control equipment for light trucks and related parts and accessories, our sales depend primarily on the level, timing and location of snowfall in the regions in which we offer our products. A low level or lack of snowfall in any given year in any of the snow-belt regions in North America (primarily the Midwest, East and Northeast regions of the United States as well as all provinces of Canada) will likely cause sales of our Work Truck Attachments products and a portion of our Work Truck Solutions products to decline in such year as well as the subsequent year, which in turn may adversely affect our results of operations and ability to generate cash flow. For example, our **2024 results were impacted by low snowfall in our core markets in the snow season ended March 31, 2024 leading to lower volumes, and our 2023 results were impacted by a record significantly low amount of snowfall in the snow season ended March 31, 2023, where major cities along the I-95 corridor on the East Coast did not see any measurable snowfall. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Seasonality and Year-to-Year Variability."** A sustained period of reduced snowfall events in one or more of the geographic regions in which we offer our products could cause our results of operations to decline and adversely affect our ability to generate cash flow. If unfavorable weather conditions are exacerbated by climate change or otherwise, our results of operations may be affected to a greater degree than we have previously experienced.

***The year-to-year variability of our Work Truck Attachments segment can cause our results of operations and financial condition to be materially different from year-to-year and the seasonality of our Work Truck Attachments segment can cause our results of operations and financial condition to be materially different from quarter-to-quarter.***

Because our Work Truck Attachments segment depends on the level, timing and location of snowfall, our results of operations vary from year-to-year. Additionally, because the annual snow season typically only runs from October 1 through March 31, our distributors typically purchase our Work Truck Attachments products during the second and third quarters. As a result, we operate in a seasonal business. We not only experience seasonality in our sales, but also experience seasonality in our working capital needs. Consequently, our results of operations and financial condition of our Work Truck Attachments segment can vary from year-to-year, as well as from quarter-to-quarter, which could affect our ability to generate cash flow. If we are unable to effectively manage the seasonality and year-to-year variability of our Work Truck Attachments segment, our results of operations, financial condition and ability to generate cash flow may be adversely affected.

#### Risks Related to Economic Conditions

***If economic conditions in the United States deteriorate, or if spending by governmental agencies is limited or reduced, our results of operations, financial condition and ability to generate cash flow may be adversely affected.***

Historically, demand for snow and ice control equipment for light and heavy duty trucks as well as upfitted vehicles has been influenced by general economic conditions in the United States, as well as local economic conditions in the snow-belt regions in North America.

Weakened economic conditions and limited or reduced government spending may cause both our Work Truck Attachments and Work Truck Solutions end-users to delay purchases of replacement snow and ice control equipment and upfit vehicles and instead repair their existing equipment and vehicles, leading to a decrease in our sales of new equipment and upfitted vehicles. Weakened economic conditions and limited or reduced governmental spending may also cause our end-users to delay their purchases of new light and heavy duty trucks. Because our end-users tend to purchase new snow and ice control equipment concurrent with their purchase of new light or heavy duty trucks, their delay in purchasing new light or heavy duty trucks can also result in the deferral of their purchases of new snow and ice control equipment. The deferral of new equipment purchases during periods of weak economic conditions or limited or reduced government spending may negatively affect our results of operations, financial condition and ability to generate cash flow.

Weakened economic conditions or limited or reduced government spending may also cause both our Work Truck Attachments and Work Truck Solutions end-users to consider price more carefully in selecting new snow and ice control equipment and upfit vehicles, respectively. Historically, considerations of quality and service have outweighed considerations of price, but in a weak economy, or an environment of constrained government spending, price may become a more important factor. Any refocus

away from quality in favor of cheaper equipment could cause end-users to shift away from our products to less expensive competitor products, or to shift away from our more profitable products to our less profitable products, which in turn would adversely affect our results of operations and our ability to generate cash flow.

Weakened economic conditions may lead to significant inflation in raw materials and components, labor, benefits, freight, and other areas, which would adversely affect our results of operations and our ability to generate cash flow. It may be more difficult to collect from customers as a result of customer bankruptcy or other hardships. Supply chains may be disrupted which could raise prices and impact our ability to obtain inventory timely.

***The price of steel, a commodity necessary to manufacture our products, is highly variable. If the price of steel increases, our gross margins could decline.***

Steel is a significant raw material used to manufacture our products. During 2024, our raw steel purchases were in amounts equivalent to approximately 7% of our revenue. During 2023, our raw steel purchases were in amounts equivalent to approximately 10% of our revenue. During 2022, our raw steel purchases were in amounts equivalent to approximately 13% of our revenue. During 2021, our raw steel purchases as a percentage of revenue were lower in the year ended December 31, 2024 due to lower steel purchases were in amounts equivalent prices, lower production at Work Truck Attachments related to approximately 12% of our revenue, lower volume, as well as higher sales dollars at Work Truck Solutions. The steel industry is highly cyclical in nature, and steel prices have been volatile in recent years and may remain volatile in the future. Steel prices are influenced by numerous factors beyond our control, including general economic conditions domestically and internationally, the availability of raw materials, competition, labor costs, freight and transportation costs, production costs, tariffs and other trade restrictions. For example, in March 2018, the United States imposed an additional 25% tariff under Section 232 of the Trade Expansion Act of 1962, as amended, on steel products imported into the United States. Steel prices are volatile and may also increase as a result of increased demand from the automobile and consumer durable sectors. If the price of steel increases, our variable costs may increase. We may not be able to mitigate these increased costs through the implementation of permanent price increases or temporary invoice surcharges, especially if economic conditions are weak and our distributors and end-users become more price sensitive. If we are unable to successfully mitigate such cost increases in the future, our gross margins could decline. On December 17, 2024, we entered into a steel hedging agreement to reduce our exposure to commodity price swings. The steel hedging instrument has a notional quantity of 3,000 short tons, and is effective for the period August 1, 2025 through December 31, 2025, which we expect to be slightly less than half of our exposure during the effective period. Under the steel hedge agreement, we will make fixed payments of \$819 per short ton for the Steel Hot Rolled Coil (HRC) commodity. The steel hedging instrument is accounted for as a cash flow hedge.

***If petroleum prices increase, then our results of operations could be adversely affected.***

Petroleum prices have fluctuated significantly in recent years. Prices and availability of petroleum products are subject to political, economic and market factors that are outside of our control. Political events in petroleum-producing regions, as well as hurricanes and other weather-related events may cause the price of fuel to increase. If the price of fuel increases, the demand for our products may decline and transportation and freight costs may increase, which would adversely affect our financial condition and results of operations.

***Global climate change and related emphasis on ESG matters by various stakeholders could negatively affect our business.***

Increased public awareness and concern regarding global climate change may result in more regional and/or federal requirements to reduce or mitigate the effects of greenhouse gas emissions. There continues to be a lack of consistent climate legislation, which creates economic and regulatory uncertainty. Such regulatory uncertainty extends to our product portfolio and overall costs of compliance, which may impact the demand for our products and/or require us to make increased capital expenditures to meet new standards and regulations. Further, our customers and the markets we serve may impose emissions or other environmental standards upon us through regulation, market-based emissions policies or consumer preference that we may not be able to timely meet, or which may not be economically feasible for us, due to the required level of capital investment or technological advancement.

There is a growing consensus that greenhouse gas emissions are linked to global climate changes. Climate changes, such as extreme weather conditions, create financial risk to our business. For example, the demand for our products and services may be affected by unseasonable weather conditions, which was the case for our Work Truck Attachments segment during the snow season ended March 31, 2023, March 31, 2024 and 2023, where major cities along the I-95 corridor on the East Coast did not see any measurable snowfall. Snowfall levels came in significantly below average. Climate changes could also disrupt our operations by impacting the availability and cost of materials needed for manufacturing and could increase insurance and other operating costs. We could also face indirect financial risks passed through the supply chain, and process disruptions due to climate changes could result in price modifications for our products and the resources needed to produce them.

Furthermore, customer, investor, and employee expectations in areas such as the environment, social matters and corporate governance (ESG) have been rapidly evolving and increasing. Specifically, certain customers are requiring information on our environmental sustainability plans and commitments, which we have not yet

released publicly as of the date of this filing. There can be no assurance of the extent to which any of our future plans or commitments will be achieved, or that any investments we make in furtherance of achieving any such plans, targets, goals or other commitments will meet customer, investor, employee or other stakeholder expectations and desires or any legal standards regarding sustainability performance.

Additionally, the enhanced stakeholder focus on ESG issues requires the continuous monitoring of various and evolving standards and the associated reporting requirements. A failure to adequately meet stakeholder expectations may result in the loss of business, diluted market valuation, an inability to attract and retain customers or an inability to attract and retain top talent.

#### Risks Related to our Business and Operations

***We depend on outside suppliers and original equipment manufacturers who may be unable to meet our volume and quality requirements, and we may be unable to obtain alternative sources.***

We purchase certain components essential to our snowplows and sand and salt spreaders from outside suppliers, including off-shore sources. We also have OEM partners that supply truck chassis used in our truck upfitting operations across both segments. Most of our key supply arrangements can be discontinued at any time. A supplier may encounter delays in the production and delivery of such products and components or may supply us with products and components that do not meet our quality, quantity or cost requirements. In addition, as was the case in 2024, 2023, 2022, and 2021, an OEM may encounter difficulties and may be unable to deliver truck chassis according to our production needs, including as a result of computer chip shortages, labor strikes or otherwise, which may result in the deferral of sales to future periods. Additionally, a supplier may be forced to discontinue operations. Any discontinuation or interruption in the availability of quality products, components or truck chassis from one or more of our suppliers may result in increased production costs, delays in the delivery of our products and lost end-user sales, which could have an adverse effect on our business and financial condition.

We have continued to increase the number of our off-shore suppliers. Our increased reliance on off-shore sourcing may cause our business to be more susceptible to the impact of natural disasters, global health epidemics, war and other geopolitical conflict, and other factors that may disrupt the transportation systems or shipping lines used by our suppliers, a weakening of the dollar over an extended period of time and other uncontrollable factors such as changes in foreign regulation, tariffs or economic conditions. In addition, reliance on off-shore suppliers may make it more difficult for us to respond to sudden changes in demand because of the longer lead time to obtain components from off-shore sources. We may be unable to mitigate this risk by stocking sufficient materials to satisfy any sudden or prolonged surges in demand for our products. If we cannot satisfy demand for our products in a timely manner, our sales could suffer as distributors can cancel purchase orders without penalty until shipment.

***Security breaches and other disruptions could compromise our information and expose us to liability, which would cause our business and reputation to suffer.***

In the ordinary course of our business, we collect and store sensitive data, including our proprietary business information and that of our customers, suppliers and business partners, as well as personally identifiable information of our customers and employees, in our data centers and on our networks. The secure processing, maintenance and transmission of this information is critical to our operations and business strategy. Despite our security measures, our information technology and infrastructure may be vulnerable to malicious attacks or breached due to employee error, malfeasance or other disruptions, including as a result of rollouts of new systems. In addition, we have portions of our workforce working remotely and a small number of employees working at an office in China, which may heighten these risks. Any such breach could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings and/or regulatory penalties, disrupt our operations, damage our reputation, and/or cause a loss of confidence in our products and services, which could adversely affect our business.

***We are heavily dependent on our senior management team. If we are unable to retain, attract, and motivate qualified employees, it may adversely affect our business.***

Our continued success depends on the retention, recruitment and continued contributions of key management, finance, sales and marketing personnel, some of whom could be difficult to replace. Our success is largely dependent upon our senior management team. The loss of any one or more of such persons could have an adverse effect on our business and financial condition. Our ability to implement our business plan is dependent on our retaining, hiring, and training a large number of qualified employees every year. Our results of operations could be adversely affected by increased costs due to higher competition for employees, higher employee turnover, or increased employee benefit costs, which could be heightened as a result of adjustments to workforce levels in response to varying levels of demand. Effective July 8, 2024, Robert McCormick retired as our President and Chief Executive Officer. Effective July 8, 2024, James Janik was elected as our Interim President and Chief Executive Officer.

**Our failure to maintain good relationships with our customers and distributors, the loss or consolidation of our distributor base or the actions or inactions of our distributors could have an adverse effect on our results of operations and our ability to generate cash flow.**

We depend on a network of truck equipment distributors to sell, install and service our products and upfitted vehicles. Nearly all of these sales and service relationships are at will, so almost all of our distributors could discontinue the sale and service of our products and upfitted vehicles at any time, and those distributors that primarily sell our products and upfitted vehicles may choose to sell competing products or vehicles at any time. Further, difficult economic or other circumstances could cause any of our distributors to discontinue their businesses. Moreover, if our distributor base were to consolidate or if any of our distributors were to discontinue their business, competition for the business of fewer distributors would intensify. If we do not maintain good relationships with our distributors and customers, or if we do not provide product or upfit offerings and pricing that meet the needs of our distributors and customers, we could lose a substantial amount of our distributor and customer base. A loss of a substantial portion of our distributor and customer base could cause our sales to decline significantly, which would have an adverse effect on our results of operations and ability to generate cash flow.

In addition, our distributors may not provide timely or adequate service to our end-users. If this occurs, our brand identity and reputation may be damaged, which would have an adverse effect on our results of operations and ability to generate cash flow.

**Lack of available financing options for our end-users or distributors may adversely affect our sales volumes.**

Our end-user base in our Work Truck Attachments segment is highly concentrated among professional snowplowers, who comprise over 50% of our end-users, end-users, many of whom are individual landscapers who remove snow during the winter and landscape during the rest of the year, rather than large, well-capitalized corporations. These end-users often depend upon credit to purchase our Work Truck Attachments products. If credit is unavailable on favorable terms or at all, then these end-users may not be able to purchase our Work Truck Attachments products from our distributors, which would in turn reduce sales and adversely affect our results of operations and ability to generate cash flow.

In addition, because our distributors, like our end-users, rely on credit to purchase our products, if our distributors are not able to obtain credit, or access credit on favorable terms, we may experience delays in payment or nonpayment for delivered products. Further, if our distributors are unable to obtain credit or access credit on favorable terms, they could experience financial difficulties or bankruptcy and cease purchases of our products altogether. Thus, if financing is unavailable on favorable terms or at all, our results of operations and ability to generate cash flow would be adversely affected.

**We do not sell our products under long-term purchase contracts, and sales of our products are significantly impacted by factors outside of our control; therefore, our ability to estimate demand is limited.**

We do not enter into long-term purchase contracts with our distributors and the purchase orders we receive may be cancelled without penalty until shipment. Therefore, our ability to accurately predict future demand for our products is limited. Nonetheless, we attempt to estimate demand for our products for purposes of planning our annual production levels and our long-term product development and new product introductions. We base our estimates of demand on our own market assessment, snowfall figures, quarterly field inventory surveys and regular communications with our distributors. Because wide fluctuations in the level, timing and location of snowfall, economic conditions and other factors may occur, each of which is out of our control, our estimates of demand may not be accurate. Underestimating demand could result in procuring an insufficient amount of materials necessary for the production of our products, which may result in increased production costs, delays in product delivery, missed sale opportunities and a decrease in customer satisfaction. Overestimating demand could result in the procurement of excessive supplies, which could result in increased inventory and associated carrying costs.

**We face competition from other companies in our industry, and if we are unable to compete effectively with these companies, it could have an adverse effect on our sales and profitability. Price competition among our distributors and customers could negatively affect our market share.**

In our Work Truck Attachments segment, we primarily compete with regional manufacturers of snow and ice control equipment for light trucks. While we are the most geographically diverse company in our industry, we may face increasing competition in the markets in which we operate. Additionally, in our Work Truck Solutions segment, we compete with other market leaders in the municipal snow and ice manufacturing and truck upfit industries. In saturated markets, price competition may lead to a decrease in our market share or a compression of our margins, both of which would affect our profitability. Moreover, current or future competitors may grow their market share and develop superior service and may have or may develop greater financial resources, lower costs, superior technology or more favorable operating conditions than we maintain. As a result, competitive pressures we face may cause price reductions for our products, which would affect our profitability or result in decreased sales and operating income. Additionally, saturation of the markets in which we compete or channel conflicts among our brands and shifts in consumer preferences may increase these competitive pressures or may result in increased competition among our distributors and affect our sales and profitability. In addition, price competition among the distributors that sell our products could lead to significant margin erosion among our distributors, which could in turn result in compressed margins or loss of market share for us.

Management believes that, after ourselves, the next largest competitors in the market for snow and ice control equipment for light trucks are The Toro Company (the manufacturer of the Boss brand of snow and ice control equipment) and Buyers Products Company, and that these companies represent our primary competitors for light truck market share for our Work Truck Attachments segment. Management believes that, after ourselves, the next largest competitors in the market for snow and ice control equipment for heavy trucks are Monroe and Viking and that these companies represent our primary competitors for heavy truck market share for our Work Truck Solutions segment. Management believes that other regional market leaders in the truck upfitting industry are Knapheide, Reading, Palfleet and Autotrack, and that these companies represent our primary competitors for the upfit market share for our Work Truck Solutions segment.

***The statements regarding our industry, market positions and market share in this filing are based on our management's estimates and assumptions. While we believe such statements are reasonable, such statements have not been independently verified.***

Information contained in this Annual Report on Form 10-K concerning the snow and ice control equipment and truck upfitting industries, our general expectations concerning these industries and our market positions and other market share data regarding the industries are based on estimates our management prepared using end-user surveys, anecdotal data from our distributors and distributors that carry our competitors' products, our results of operations and management's past experience, and on assumptions made, based on our management's knowledge of this industry, all of which we believe to be reasonable. These estimates and assumptions are inherently subject to uncertainties, especially given the year-to-year variability of snowfall and the difficulty of obtaining precise information about our competitors, and may prove to be inaccurate. In addition, we have not independently verified the information from any third-party source and thus cannot guarantee its accuracy or completeness, although management also believes such information to be reasonable. Our actual operating results may vary significantly if our estimates and outlook concerning the industry, snowfall patterns, our market positions or our market shares turn out to be incorrect.

***We are subject to product liability claims, product quality issues, and other litigation from time to time that could adversely affect our operating results or financial condition.***

The manufacture, sale and usage of our products expose us to a risk of product liability claims. If our products are defective or used incorrectly by our end-users, then injury may result, giving rise to product liability claims against us. If a product liability claim or series of claims is brought against us for uninsured liabilities or in excess of our insurance coverage, and it is ultimately determined that we are liable, our business and financial condition could suffer. Any losses that we may suffer from any liability claims, and the effect that any product liability litigation may have upon the reputation and marketability of our products, may divert management's attention from other matters and may have a negative impact on our business and operating results. Additionally, we could experience a material design or manufacturing failure in our products, a quality system failure or other safety issues, or heightened regulatory scrutiny that could warrant a recall of some of our products. A recall of some of our products could also result in increased product liability claims. Any of these issues could also result in loss of market share, reduced sales, and higher warranty expense.

***We may use artificial intelligence in our business and operations, and challenges with effectively managing its use could harm our business and expose us to costly liability.***

We may incorporate artificial intelligence technologies, including generative artificial intelligence and machine learning, into our product development processes and operations. Our use of artificial intelligence technologies carries inherent risks, and there can be no assurance that our use of artificial intelligence will enhance our products or achieve any improvements in innovation or efficiency. In addition, we could be exposed to liability as a result of any misuse of artificial intelligence and machine learning-technology by our personnel while carrying out Company responsibilities. We also face risks of competitive disadvantage if our competitors more effectively use artificial intelligence to drive internal efficiencies or create new or enhanced products. If we fail to effectively manage our use of artificial intelligence in our business and operations, our business could be harmed or we could be exposed to costly liability, which in turn could adversely affect our results of operations and financial condition.

***The process of implementing an ERP system at Dejana could adversely impact our ability to produce timely financial statements or our internal control over financial reporting.***

We are currently in the process of an enterprise resource planning ("ERP") implementation at our Dejana Truck & Utility Equipment Company, LLC subsidiary, which will replace their current system. We may not be able to successfully implement the ERP system without delays related to resource constraints or challenges with the design or testing phases of the implementation. Inefficiencies in our financial reporting processes due to the conversion to a new ERP system could adversely affect our ability to produce accurate financial statements on a timely basis until the new ERP system and processes have matured. Additionally, the effectiveness of our internal control over financial reporting could be adversely affected if the new ERP system is not successfully implemented.

#### Risks Related to Execution of Strategy

***We may be unable to identify, complete or benefit from strategic transactions.***

Our long-term growth strategy includes building value for our company through a variety of methods. These methods may include acquisition of, investment in, or joint ventures involving, complementary businesses. We cannot assure that we will be able to identify suitable parties for these transactions. If we are unable to identify suitable parties for strategic transactions, we may not be able to capitalize on market opportunities with existing and new customers, which could inhibit our ability to gain

market share. Even if we identify suitable parties to participate in these transactions, we cannot assure that we will be able to make them on commercially acceptable terms, if at all.

If in the future we acquire another company or its assets, it may be difficult to assimilate the acquired businesses, products, services, technologies and personnel into our operations. These difficulties could disrupt our ongoing business, distract our management and workforce, increase our expenses and adversely affect our operating results and ability to compete and gain market share. Mergers and acquisitions are inherently risky and are subject to many factors outside our control. No assurance can be given that any future acquisitions will be successful and will not materially adversely affect our business, operating results, or financial condition. In addition, we may incur debt or be required to issue equity securities to pay for future acquisitions or investments. The issuance of any equity securities could be dilutive to our stockholders. We also may need to make further investments to support any acquired company and may have difficulty identifying and acquiring appropriate resources. If we divest or otherwise exit certain portions of our business in connection with a strategic transaction, we may be required to record additional expenses, and our estimates with respect to the useful life and ultimate recoverability of our carrying basis of assets, including goodwill and purchased intangible assets, could change.

***If we are unable to enforce, maintain or continue to build our intellectual property portfolio, or if others invalidate our intellectual property rights, our competitive position may be harmed.***

Our patents relate to snowplow mounts, assemblies, hydraulics, electronics and lighting systems, brooms, sand, salt and fertilizer spreader assemblies, reel handlers and carriers and shelving systems. Patents are valid for the longer period of 17 years from issue date or 20 years from filing date. The duration of the patents we currently possess range between less than one year and 17 years of remaining life. Our patent applications date from 2005 through 2022.

We rely on a combination of patents, trade secrets and trademarks to protect certain of the proprietary aspects of our business and technology. We hold approximately 45 U.S. registered trademarks (including the trademarks WESTERN®, FISHER®, DEJANA®, SNOWEX®, TURFEX®, SWEEPPEX®, HENDERSON® and BRINEXTREME®) 13 Canadian registered trademarks, 5 European trademarks, 7 Chinese trademarks, 48 56 U.S. issued patents, and 6 7 Canadian patents. Although we work diligently to protect our intellectual property rights, monitoring the unauthorized use of our intellectual property is difficult, and the steps we have taken may not prevent unauthorized use by others. In addition, in the event a third party challenges the validity of our intellectual property rights, a court may determine that our intellectual property rights may not be valid or enforceable. An adverse determination with respect to our intellectual property rights may harm our business prospects and reputation. Third parties may design around our patents or may independently develop technology similar to our trade secrets. The failure to adequately build, maintain and enforce our intellectual property portfolio could impair the strength of our technology and our brands, and harm our competitive position. Although we have no reason to believe that our intellectual property rights are vulnerable, previously undiscovered intellectual property could be used to invalidate our rights.

***If we are unable to develop new products or improve upon our existing products on a timely basis, it could have an adverse effect on our business and financial condition.***

We believe that our future success depends, in part, on our ability to develop on a timely basis new technologically advanced products or improve upon our existing products in innovative ways that meet or exceed our competitors' product and upfit offerings. Continuous product innovation, including through vertical integration efforts, ensures that our consumers have access to the latest products and features when they consider buying snow and ice control equipment and truck upfits. Maintaining our market position will require us to continue to invest in research and development and sales and marketing. Product development requires significant financial, technological and other resources. We may be unsuccessful in making the technological advances necessary to develop new products or improve our existing products to maintain our market position. Industry standards, end-user expectations or other products may emerge that could render one or more of our products less desirable or obsolete. If any of these events occur, it could cause decreases in sales, a failure to realize premium pricing and an adverse effect on our business and financial condition.

***Our dividend policy may limit our ability to pursue growth opportunities.***

If we continue to pay dividends at the level contemplated by our dividend policy, as in effect on the date of this filing, or if we increase the level of our dividend payments in the future, we may not retain a sufficient amount of cash to finance growth opportunities, meet any large unanticipated liquidity requirements, execute repurchases under our stock repurchase program or fund our operations in the event of a significant business downturn. In addition, because a significant portion of cash available will be distributed to holders of our common stock under our dividend policy, our ability to pursue any material expansion of our business, including through acquisitions, increased capital spending or other increases of our expenditures, will depend more than it otherwise would on our ability to obtain third party financing. We cannot assure you that such financing will be available to us at all, or at an acceptable cost. If we are unable to take timely advantage of growth opportunities, our future financial condition and competitive position may be harmed, which in turn may adversely affect the market price of our common stock.

Risks Related to Legal, Compliance and Regulatory Matters

**We are subject to complex laws and regulations, including environmental and safety regulations that can adversely affect the cost, manner or feasibility of doing business.**

Our operations are subject to certain federal, state and local laws and regulations relating to, among other things, climate change, the generation, storage, handling, emission, transportation, disposal and discharge of hazardous and non-hazardous substances and materials into the environment, the manufacturing of motor vehicle accessories and employee health and safety. We cannot be certain that existing and future laws and regulations and their interpretations will not harm our business or financial condition. We currently make and may be required to make large and unanticipated capital expenditures to comply with environmental and other regulations, such as:

- Applicable motor vehicle safety standards established by the National Highway Traffic Safety Administration;
- Emissions or other standards related to climate change as established by international, federal, state and local regulatory bodies;
- Reclamation and remediation and other environmental protection; and
- Standards for workplace safety established by the Occupational Safety and Health Administration.

While we monitor our compliance with applicable laws and regulations and attempt to budget for anticipated costs associated with compliance, we cannot predict the future cost of such compliance. In **2023, 2024**, the amount expended for such compliance was insignificant, but we could incur material expenses in the future in the event of future legislation changes or unforeseen events, such as a workplace accident or environmental discharge, or if we otherwise discover we are in non-compliance with an applicable regulation. In addition, under these laws and regulations, we could be liable for:

- Product liability claims;
- Personal injuries;
- Investigation and remediation of environmental contamination and other governmental sanctions such as fines and penalties; and
- Other environmental damages.

Our operations could be significantly delayed or curtailed and our costs of operations could significantly increase as a result of regulatory requirements, restrictions or claims. We are unable to predict the ultimate cost of compliance with these requirements or their effect on our operations.

***Provisions of Delaware law and our charter documents could delay or prevent an acquisition of us, even if the acquisition would be beneficial to you.***

Provisions in our certificate of incorporation and bylaws may have the effect of delaying or preventing a change of control or changes in our management. These provisions include:

- the absence of cumulative voting in the election of our directors, which means that the holders of a majority of our common stock may elect all of the directors standing for election;
- the ability of our Board of Directors to issue preferred stock with voting rights or with rights senior to those of our common stock without any further vote or action by the holders of our common stock;
- the division of our Board of Directors into three separate classes serving staggered three-year terms;
- the ability of our stockholders to remove our directors is limited to cause and only by the vote of at least  $66\frac{2}{3}\%$  of the outstanding shares of our common stock;

- the prohibition on our stockholders from acting by written consent and calling special meetings;
- the requirement that our stockholders provide advance notice when nominating our directors or proposing business to be considered by the stockholders at an annual meeting of stockholders; and
- the requirement that our stockholders must obtain a 662/3% vote to amend or repeal certain provisions of our certificate of incorporation.

We are also subject to Section 203 of the Delaware General Corporation Law, which, subject to certain exceptions, prohibits us from engaging in any business combination with any interested stockholder, as defined in that section, for a period of three years following the date on which that stockholder became an interested stockholder. This provision, together with the provisions discussed above, could also make it more difficult for you and our other stockholders to elect directors and take other corporate actions, and could limit the price that investors might be willing to pay in the future for shares of our common stock.

#### Risks Related to Capital Structure

***Our indebtedness could adversely affect our operations, including our ability to perform our obligations and generate cash flow.***

As of **December 31, 2023** **December 31, 2024**, we had approximately **\$189.4** **\$147.5** million of senior secured indebtedness, **\$47.0** **\$0.0** million in outstanding borrowings under our revolving credit facility and **\$102.5** **\$149.5** million of borrowing availability under the revolving credit facility. We may also be able to incur substantial indebtedness in the future, including senior indebtedness, which may or may not be secured.

Our indebtedness could have important consequences, including the following:

- We could have difficulty satisfying our debt obligations, and if we fail to comply with these requirements, an event of default could result;
- We may be required to dedicate a substantial portion of our cash flow from operations to required payments on indebtedness, thereby reducing the cash flow available to pay dividends, execute repurchases under our stock repurchase program or fund working capital, capital expenditures and other general corporate activities;
- Covenants relating to our indebtedness may restrict our ability to make distributions to our stockholders or execute repurchases under our stock repurchase program;
- Covenants relating to our indebtedness may limit our ability to obtain additional financing for working capital, capital expenditures and other general corporate activities, which may limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- We may be more vulnerable to general adverse economic and industry conditions;
- We may be placed at a competitive disadvantage compared to our competitors with less debt; and
- We may have difficulty repaying or refinancing our obligations under our senior credit facilities on their respective maturity dates.

If any of these consequences occur, our financial condition, results of operations and ability to generate cash flow could be adversely affected. This, in turn, could negatively affect the market price of our common stock, and we may need to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital. We cannot assure you that any refinancing would be possible, that any assets could be sold, or, if sold, of the timing of the sales and the amount of proceeds that may be realized from those sales, or that additional financing could be obtained on acceptable terms, if at all.

***Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly and could impose adverse consequences.***

Certain of our borrowings, including our term loan and any revolving borrowings under our senior credit facilities, are at variable rates of interest and expose us to interest rate risk. In addition, the interest rate on any revolving borrowings is subject to an increase in the interest rate if the average daily availability under our revolving credit facility falls below a certain threshold. If interest rates increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash flows would correspondingly decrease.

***Our senior credit facilities impose restrictions on us, which may also prevent us from capitalizing on business opportunities and taking certain corporate actions. One of these facilities also includes minimum availability requirements, which if unsatisfied, could result in liquidity events that may jeopardize our business.***

Our senior credit facilities contain, and future debt instruments to which we may become subject may contain, covenants that limit our ability to engage in activities that could otherwise benefit our company. Under the credit facilities, these covenants include restrictions on our ability to:

- incur, assume or permit to exist additional indebtedness or contingent obligations;
- incur liens and engage in sale and leaseback transactions;
- make loans and investments in excess of agreed upon amounts;
- declare dividends, make payments or redeem or repurchase capital stock in excess of agreed upon amounts and subject to certain other limitations;
- engage in mergers, acquisitions and other business combinations;
- prepay, redeem or purchase certain indebtedness or amend or alter the terms of our indebtedness;
- sell assets;
- make further negative pledges;
- create restrictions on distributions by subsidiaries;
- change our fiscal year;
- engage in activities other than, among other things, incurring the debt under our new senior credit facilities and the activities related thereto, holding our ownership interest in Douglas Dynamics, LLC, making restricted payments, including dividends and repurchasing equity, permitted by our senior credit facilities and conducting activities related to our status as a public company;
- amend or waive rights under certain agreements;
- transact with affiliates or our stockholders; and
- alter the business that we conduct.

Our ability to comply with the covenants contained in our senior credit facilities or in the agreements governing our future indebtedness, and our ability to avoid liquidity events, may be affected by events, or our future performance, which are subject to factors beyond our control, including prevailing economic, financial, industry and weather conditions, such as the level, timing and location of snowfall and general economic conditions in the snowbelt regions of North America. On January 29, 2024, we amended our credit facility to provide greater financial flexibility by increasing the leverage ratio covenant at December 31, 2023 through June 30, 2024. **Our leverage ratio at December 31, 2023 was slightly below the covenant level prior to the amendment.** A failure to comply with these covenants could result in a default under our senior credit

facilities, which could prevent us from paying dividends, repurchasing equity, borrowing additional amounts and using proceeds of our inventory and accounts receivable, and also permit the lenders to accelerate the payment of such debt. If any of our debt is accelerated or if a liquidity event (or event of default) occurs that results in collateral proceeds being applied to reduce such debt, we may not have sufficient funds available to repay such debt and our other obligations, in which case, our business could be halted and such lenders could proceed against any collateral securing that debt. Further, if the lenders accelerate the payment of the indebtedness under our senior credit facilities, our assets may not be sufficient to repay in full the indebtedness under our senior credit facilities and our other indebtedness, if any. We cannot assure you that these covenants will not adversely affect our ability to finance our future operations or capital needs to pursue available business opportunities or react to changes in our business and the industry in which we operate.

#### **Item 1B. Unresolved Staff Comments**

Not applicable.

#### **Item 1C. Cybersecurity**

The Company's Board of Directors (the "Board") recognizes the critical importance of maintaining the trust and confidence of our customers, clients, business partners and employees. The Board is actively involved in oversight of the Company's risk management program, and cybersecurity represents an important component of the Company's overall approach to enterprise risk management ("ERM"). The Company's cybersecurity policies, standards, processes, and practices are fully integrated into the Company's ERM program and are based on recognized frameworks established by the National Institute of Standards and Technology, the International Organization for Standardization and other applicable industry standards. In general, the Company seeks to address cybersecurity risks through a comprehensive, cross-functional approach that is focused on preserving the confidentiality, security and availability of the information that the Company collects and stores by identifying, preventing and mitigating cybersecurity threats and effectively responding to cybersecurity incidents when they occur. Management's philosophy on cybersecurity is to be vigilant in protecting the Company and its constituents through robust investments and employee awareness to aid in the prevention, detection and mitigation of cyber threats, while recognizing that not all threats are preventable.

#### Risk Management and Strategy

As one of the critical elements of the Company's overall ERM approach, the Company's cybersecurity program is focused on the following key areas:

**Governance:** **Governance:** As discussed in more detail under the heading "Governance," The the Board's oversight of cybersecurity risk management is supported by the Audit Committee of the Board (the "Audit Committee"), which regularly interacts with executive leadership, the Company's ERM function, and the Company's Vice President of Information Technology.

**Collaborative Approach:** **Approach:** The Company has implemented a comprehensive, cross-functional approach to identifying, preventing and mitigating cybersecurity threats and incidents, while also implementing controls and procedures that provide for the prompt escalation of certain cybersecurity incidents so that decisions regarding the public disclosure and reporting of such incidents can be made by management in a timely manner.

**Technical Safeguards:** **Safeguards:** The Company deploys technical safeguards that are designed to protect the Company's information systems from cybersecurity threats, including firewalls, intrusion prevention and detection systems, anti-malware functionality and access controls, which are evaluated and improved through vulnerability assessments and cybersecurity threat intelligence.

**Incident Response and Recovery Planning:** **Planning:** The Company has established and maintains incident response and recovery plans that address the Company's response to a cybersecurity incident, and such plans are tested and evaluated on a regular basis.

**Third-Party Risk Management:** **Management:** The Company maintains a comprehensive, risk-based approach to identifying and overseeing cybersecurity risks presented by third parties, including vendors, service providers and other external users of the Company's systems, as well as the systems of third parties that could adversely impact our business in the event of a cybersecurity incident affecting those third-party systems.

**Education and Awareness:** **Awareness:** The Company provides regular, mandatory training for personnel regarding cybersecurity threats as a means to equip the Company's personnel with effective tools to address cybersecurity threats, and to communicate the Company's evolving information security policies, standards, processes and practices.

The Company engages in the periodic assessment and testing of the Company's policies, standards, processes and practices that are designed to address cybersecurity threats and incidents. These efforts include a wide range of activities, including audits, assessments, tabletop exercises, threat modeling, vulnerability testing and other exercises focused on evaluating the effectiveness of our cybersecurity measures and planning. The Company regularly engages third parties to perform assessments on our cybersecurity measures, including information security maturity assessments, audits and independent reviews of our information security control environment and operating effectiveness. The results of such assessments, audits and reviews are reported to the Audit Committee and the Board, executive management, and the Company adjusts its cybersecurity policies, standards, processes and practices as necessary based on the information provided by these assessments, audits and reviews.

The Board, in coordination with the Audit Committee, oversees the Company's ERM process, including the management of risks arising from cybersecurity threats. The Board and the Audit Committee each receive regular presentations and reports on cybersecurity risks, which address a wide range of topics including recent developments, evolving standards, vulnerability assessments, third-party and independent reviews, the threat environment, technological trends and information security considerations arising with respect to the Company's peers and third parties. The Board and the Audit Committee also receive prompt and timely information regarding any cybersecurity incident that meets established reporting thresholds, as well as ongoing updates regarding any such incident until it has been addressed. On an annual basis, the Board and the Audit Committee discuss the Company's approach to cybersecurity risk management with the members of senior leadership, which includes the Company's Vice President of Information Technology.

The Vice President of Information Technology, in coordination with executive leadership including our **Interim** Chief Executive Officer ("CEO")<sup>1</sup> and Chief Financial Officer ("CFO"), and Chief Human Resources Officer ("CHRO"), works collaboratively across the Company to implement a program designed to protect the Company's information systems from cybersecurity threats and to promptly respond to any cybersecurity incidents in accordance with the Company's incident response and recovery plans. To facilitate the success of the Company's cybersecurity risk management program, multidisciplinary teams throughout the Company are deployed to address cybersecurity threats and to respond to cybersecurity incidents. Through ongoing communications with these teams, the Vice President of Information Technology monitors the prevention, detection, mitigation and remediation of cybersecurity threats and incidents in real time and reports such threats and incidents to the Audit Committee when appropriate.

The Vice President of Information Technology has been with the Company for over 25 years in various roles in information technology and information security. The Company's **Interim** CEO **CFO** and **CHRO** **CFO** each hold undergraduate and graduate degrees in their respective fields, and each have over 25 years of experience managing risks at the Company and at similar companies, including risks arising from cybersecurity threats.

Cybersecurity threats, including as a result of any previous cybersecurity incidents, have not materially affected or are reasonably likely to affect the Company, including its business strategy, results of operations or financial condition.

## Item 2. Properties

Our significant facilities by location, ownership, and function as of **December 31, 2023** **December 31, 2024** are as follows:

Location	Ownership	Products / Use
Milwaukee, Wisconsin	Leased	Corporate headquarters
Milwaukee, Wisconsin (1)	Owned Leased	Work Truck Attachments
Albany, New York	Leased	Work Truck Solutions
Baltimore, Maryland (1)	Leased	Work Truck Solutions
Bucyrus, Ohio	Leased	Work Truck Solutions
Chalfont, Pennsylvania	Leased	Work Truck Solutions
Cinnaminson, New Jersey	Leased	Work Truck Solutions
Fulton, Missouri	Leased	Work Truck Solutions
Huntley, Illinois	Owned Leased	Work Truck Solutions
Kansas City, Missouri	Leased	Work Truck Solutions
Kenvil, New Jersey	Leased	Work Truck Solutions
Kings Park, New York (1)	Leased	Work Truck Solutions
Madison Heights, Michigan	Owned Leased	Work Truck Attachments
Manchester, Iowa	Owned Leased	Work Truck Solutions
Manchester, Iowa	Leased	Work Truck Solutions
Queensbury, New York	Leased	Work Truck Solutions
Rockland, Maine <sup>(1)</sup>	Owned	Work Truck Attachments
Rockland, Maine	Leased	Work Truck Attachments
Skowhegan, Maine	Leased	Work Truck Solutions

Smithfield, Rhode Island	Leased	Work Truck Solutions
Watertown, New York	Leased	Work Truck Solutions
China	Leased	Sourcing Office

(1) – Two facilities.

#### Item 3. Legal Proceedings

In the ordinary course of business, we are engaged in various litigation primarily including product liability and intellectual property disputes. However, management does not believe that any current litigation is material to our operations or financial position. In addition, we are not currently party to any climate change or environmental-related claims or legal matters.

#### Item 4. Mine Safety Disclosures

Not applicable.

#### Information about our Executive Officers

Effective July 8, 2024, Robert McCormick retired as the Company's President and Chief Executive Officer. Effective July 8, 2024, James Janik was elected as the Company's Interim President and Chief Executive Officer. Linda R. Evans, the Company's Chief Human Resources Officer, retired effective January 2, 2025. Ms. Evans remained an executive officer of the Company until December 31, 2024. Our executive officers as of February 27, 2024 February 25, 2025 were as follows:

#### Management

Name	Age	Position
Robert McCormick James Janik	63 68	Interim President and Chief Executive Officer
Sarah Lauber	52 53	Executive Vice President, Chief Financial Officer & Secretary
Mark Van Genderen	55 56	Chief Operating Officer and President, Work Truck Attachments
Linda Evans	57	Chief Human Resources Officer

**Robert McCormick James Janik** has been serving as our Interim President and Chief Executive Officer since July 2024, Chairman of the Board since 2014 and as a director since January 2019. Previously, 2004. Mr. McCormick Janik served as our the Company's Executive Chairman from May 2024 until July 2024 and, previously, from January 2019 until his initial retirement as an officer of the Company in April of 2020. Mr. Janik previously served as the Company's President and Chief Operating Executive Officer from August 2017 2004 until January 2019. Prior to becoming Chief Operating Officer, Mr. McCormick served as our Executive Vice President and Chief Financial Officer from September 2004 through August 2017, as our Secretary from May 2005 through August 2017, as our Assistant Secretary from September 2004 to May 2005 and as our Treasurer from September 2004 through December 2010. Prior to joining us, Mr. McCormick Janik also served as President and Chief Executive Officer of Xymox Technology Inc. from 2001 to 2004. Prior to Douglas Dynamics Incorporated, the entity that Mr. McCormick served in various capacities in previously operated the Newell Rubbermaid Corporation, including President Company's business, from 2000 to 2001 2004. Mr. Janik was Director of Sales of the Company's Western Products division from 1992 to 1994, General Manager of the Western Products division from 1994 to 2000 and Vice President Group Controller of Marketing and Sales from 1997 1998 to 2000. Prior to joining the Company, Mr. McCormick is Janik was the Vice President of Marketing and Sales of Sunlite Plastics Inc., a member custom extruder of thermoplastic materials, for two years. During the Board 11 prior years, Mr. Janik held a number of Directors key marketing, sales and production management positions for John Deere Company. Mr. Janik has served on the board of Mayville Engineering Company, Inc. directors of Jason Industries L.L.C. since August 2020.

**Sarah Lauber** has been serving as our Executive Vice President, Chief Financial Officer and Secretary since March 2023. Prior to this role, she served as our Chief Financial Officer and Secretary from August 2017 until March 2023. Prior to joining us, Ms. Lauber served as Senior Vice President and Chief Financial Officer of Jason Industries, Inc., a global industrial manufacturing company, since January 2016 and as Jason Industries' Chief Financial Officer since 2015. Prior to joining Jason Industries, Ms. Lauber served as Senior Vice President, Financial Planning and Analysis at Regal Rexnord Corporation (f/k/a Regal Beloit Corporation), a manufacturer of electric motors, electric motion controls, power generation and power transmission products, from 2011 until 2015. Ms. Lauber previously was employed by A.O. Smith Corporation's Electrical Products Company ("EPC") from 2002 until 2011 and held various roles, the latest of which was Chief Financial Officer from 2006 until EPC was acquired by Regal

Rexnord in 2011. Ms. Lauber is a member of the Board board of Directors directors of The Timken Company Company, where she serves on the audit and compensation committees of the board of directors.

**Mark Van Genderen** has been serving as our Chief Operating Officer and President, Work Truck Attachments since January 2023, September 2024. Prior to this role, he served as our President, Work Truck Attachments since January 2023, President, Commercial Snow & Ice from September 2021 until January 2023 and as Vice President of Business Development from November 2020 until September 2021. Prior to his time at Douglas Dynamics, Mr. Van Genderen spent 21 years in various leadership roles at the Harley-Davidson Motor Company, manufacturer of premium motorcycles. While at Harley-Davidson, he held a diverse range of responsibilities including leadership roles in manufacturing, product development, sales and marketing, finance, and dealer development. More recently, he led Harley-Davidson's expansion in Latin America, the company's parts and accessories product development function, and the riding gear and lifestyle apparel division, including which include the company's eCommerce business.

**Linda Evans** has been serving as our Chief Human Resources Officer since March 2023. Prior to this role, she served as our Vice President, Human Resources from June 2008 until March 2023 and became an executive officer in February 2021. Ms. Evans is an active member of the Society of Human Resources Management and has her Senior Professional HR (SPHR) certification. Prior to joining Douglas Dynamics, Ms. Evans served as the Director of Human Resources for Pentair Filtration from November 1998 to June 2008.

Executive officers are elected by, and serve at the discretion of, the Board of Directors. There are no family relationships between any of our directors or executive officers.

## PART II

### Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our Common Stock has been traded on the New York Stock Exchange since the second quarter of 2010 under the symbol "PLOW."

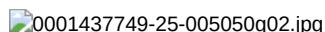
At February 27, 2024 February 25, 2025, there were 6157 registered record holders of our Common Stock.

In accordance with our dividend policy, dividends are declared and paid quarterly at the discretion of the board of directors. Additionally, special dividends may be declared and paid at the discretion of the board of directors. We paid quarterly dividends to the holders of our Common Stock in 2022 2023 and 2023 2024.

Item 12 of this Annual Report on Form 10-K contains certain information relating to the Company's equity compensation plans.

The following information in this Item 5 of this Annual Report on Form 10-K is not deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A or 14C under the Securities Exchange Act of 1934, as amended (the "Exchange Act") or to the liabilities of Section 18 of the Exchange Act, and will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended (the "Securities Act") or the Exchange Act, except to the extent we specifically incorporate it by reference into such a filing.

The graph set forth below compares the cumulative total stockholder return on our common stock between January 1, 2018 January 1, 2020 and December 31, 2023 December 31, 2024, with the cumulative total return of The Dow Jones Industrial Average and Russell 2000 Index. This graph assumes the investment of \$100 on January 1, 2018 January 1, 2020 in our common stock, the Dow Jones Industrial Average and Russell 2000 Index, and assumes the reinvestment of dividends. The Russell 2000 was chosen because we do not believe we can reasonably identify an industry index or specific peer group that would offer a meaningful comparison. The Russell 2000 represents a broad-based index of companies with similar market capitalization.



We did not sell any equity securities during 2023 2024 in offerings that were not registered under the Securities Act.

#### Issuer Purchases of Equity Securities

On February 16, 2022, our Board of Directors authorized the purchase of up to \$50.0 million in shares of common stock at market value (the "2022 repurchase plan"). This authorization does not have an expiration date. Repurchases under the program may be made in the open market, in privately negotiated transactions or

otherwise, with the amount and timing of repurchases depending on market conditions and corporate needs. We may also, from time to time, enter into Rule 10b5-1 trading plans to facilitate repurchases of shares under this authorization. This program does not obligate us to acquire any particular amount of shares and the program may be extended, modified, suspended or discontinued at any time at the Company's discretion. Shares repurchased under the 2022 repurchase program plan are retired.

Total share repurchases under the 2022 repurchase plan for the quarter ended **December 31, 2023** **December 31, 2024** were as follows:

Period	Total number of shares purchased			Number of shares purchased as part of the publicly announced program	Approximate dollar value of shares still available to be purchased under the program (000's)
		Average price paid per share	announced		
10/1/2023 - 10/31/2023	-	\$ -	-	-	\$ 44,000
11/1/2023 - 11/30/2023	-	\$ -	-	-	\$ 44,000
12/1/2023 - 12/31/2023	-	\$ -	-	-	\$ 44,000
<b>Total</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>\$ 44,000</b>

Period	Total number of shares purchased			Number of shares purchased as part of the publicly announced program	Approximate dollar value of shares still available to be purchased under the program (000's)
		Average price paid per share	announced		
10/1/2024 - 10/31/2024	-	\$ -	-	-	\$ 44,000
11/1/2024 - 11/30/2024	-	\$ -	-	-	\$ 44,000
12/1/2024 - 12/31/2024	-	\$ -	-	-	\$ 44,000
<b>Total</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>\$ 44,000</b>

#### Item 6. [Reserved]

This item is no longer required as the Company as applied the amendment to Regulation S-K Item 301 contained in the Securities and Exchange Commission's Release No. 33-10890.

#### Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

*The following discussion and analysis of our financial condition and results of operations for the years ended **December 31, 2021** **December 31, 2022** **2023** and **2024** should be read together with our audited consolidated financial statements and related notes included elsewhere in this Annual Report on Form 10-K. For a discussion and analysis of the year ended December 31, 2023 compared to December 31, 2022, please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 27, 2024. Some of the information contained in this discussion and analysis or set forth elsewhere in this Annual Report on Form 10-K, including information with respect to our plans and strategies for our business, includes forward-looking statements that involve risks and uncertainties. You should review the "Risk Factors" section of this Annual Report on Form 10-K for a discussion of important factors that could cause actual results to differ materially from the results described in, or implied by, the forward-looking statements contained in this Annual Report on Form 10-K.*

##### Results of Operations

## Operating Segments

We ~~conduct~~ conduct business in two segments: Work Truck Attachments and Work Truck Solutions. Under this reporting structure, our two reportable business segments are as follows:

**Work Truck Attachments.** The Work Truck Attachments segment includes our operations that manufacture and sell snow and ice control attachments and other products sold under the FISHER®, WESTERN®, and SNOWEX® brands, as well as our vertically integrated products. As described under "Seasonality and Year-To-Year Variability," the Work Truck Attachments segment is seasonal and, as a result, its results of operations can vary from quarter-to-quarter and from year-to-year.

**Work Truck Solutions.** The Work Truck Solutions segment includes manufactured municipal snow and ice control products under the HENDERSON® brand and the upfit of market leading attachments and storage solutions under the HENDERSON® brand, and the DEJANA® brand and its related sub-brands.

See Note 16 to the Consolidated Financial Statements for information concerning individual segment performance for the years ended **December 31, 2023**, **December 31, 2024**, **December 31, 2022**, **December 31, 2023** and **December 31, 2021**, **December 31, 2022**, respectively.

## Macroeconomic Environment Business Update

As a result of recent market volatility, supply chain disruptions, labor strikes, labor shortages, inflationary pressures (including around materials, freight, labor and benefits), and other economic trends, our results of operations have been impacted in the years ended **December 31, 2023**, **December 31, 2024**, **2022**, **2023** and **2021**, **2022**, and may be significantly impacted in future years. See below for further discussion of the impact to our financial statements.

We may have challenges in short-term liquidity that could impact our ability to fund working capital needs. We have taken various steps to preserve liquidity, including reducing discretionary spending and deferring payments where appropriate within existing contractual terms, while remaining committed to long term growth projects. In January 2024, we implemented the 2024 Cost Savings Program, which is primarily in the form of restructuring charges for salaried headcount reductions and impacted both the Work Truck Attachments segment and corporate functions. See Note 21 to the Consolidated Financial Statements for additional information regarding the 2024 Cost Savings Program. In addition, as discussed under the section "Liquidity and Capital Resources" below, in January 2023, we expanded the borrowing capacity of our revolving credit facility, and in January 2024, we amended our Credit Agreement to increase the minimum required leverage ratio from December 31, 2023 through June 30, 2024. As discussed in Note 6 and Note 8 to the Consolidated Financial Statements, in September 2024, we executed a sale leaseback transaction for gross proceeds of \$64.2 million, and, using a portion of the proceeds, we paid down \$42.0 million on our term loan. In consideration of the these recent macroeconomic trends and the various actions that we have taken to preserve our liquidity, cash on hand and cash we generated from operations, as well as available credit under our senior credit facilities as amended during 2021, provided adequate and incremental funds throughout **2023**, **2024**, and we expect will continue to provide us with adequate funds in the foreseeable future.

In the year ended December 31, 2021, we determined that facility leases related to two locations in our Work Truck Solutions segment were impaired. These two facilities were significantly downsized as part of a restructuring plan, and so it was determined that the carrying value exceeded the fair value of the facilities. As a result, we recorded an impairment of \$1.2 million in the year ended December 31, 2021 under Impairment charges in the Company's Consolidated Statements of Income, offset with a reduction to the Operating lease - right of use asset on our Consolidated Balance Sheets. Going forward, we will amortize the remaining balance of the right of use asset for the impaired leases on a straight line basis. We will continue to amortize the lease liability for the impaired leases over the life of the lease.

## Overview

While our Work Truck Solutions operations are not as reliant on snowfall, snowfall is still the primary factor in evaluating our business results due to its significant impact on the results of operations of our Work Truck Attachments segment. We typically compare the snowfall level in a given period both to the snowfall level in the prior season and to those snowfall levels we consider to be average. References to "average snowfall" levels below refer to the aggregate average inches of snowfall recorded in 66 cities in 26 snow-belt states in the United States during the annual snow season, from October 1 through March 31, from 1980 to **2023**, **2024**. During this period, snowfall averaged **3,004**, **2,978** inches, with the low in such period being 1,794 inches and the high being 4,502 inches. Meanwhile, over the last 10 years, snowfall averaged **2,990**, **2,738** inches for the snow periods ending **March 31, 2014** **March 31, 2015** through **2023**, **2024**.

During the six-month snow season ended **March 31, 2023**, **March 31, 2024**, snowfall was **2,661**, **1,836** inches, which was 38.4% lower than averages from 1980 to 2024. During the six-month snow season ended **March 31, 2023**, we experienced snowfall that was 11.4% lower than averages from 1980 to 2023. During the six-month snow season ended **March 31, 2022**, we experienced snowfall that was 13.3% lower than averages from 1980 to 2022. During the six-month snow season ended **March 31, 2021**, we experienced snowfall that was 9.4% lower than averages from 1980 to 2021. Snowfall was **11.0%**, **32.9%** below average during the snow season ended

March 31, 2023 March 31, 2024 when compared to the average over the last 10 years and was the **fifth** **sixth** snow season in a row below this average. Snowfall was **14.4%** **11.0%** below average during the snow season ended **March 31, 2022** **March 31, 2023** when compared to the average over the previous 10 years. Additionally, the timing and location of snowfall can have an impact on our financial results. Specifically, in the snow season ended **March 31, 2024**, low snowfall in our core markets led to **lower** **volumes**, and in the snow season ended **March 31, 2023**, major cities along the I-95 corridor on the East Coast did not see any measurable snowfall. We believe the below-average snowfall in the **year** **years** ended **December 31, 2023** **December 31, 2024** and **2023** negatively impacted our **business** in **2023**. We believe other factors also **had a negative impact, including supply chain constraints**, **business**. In **2021**, **2022** and **2023**, we encountered chassis availability issues with certain of our OEM partners, which negatively impacted our **business**, and which we expect to continue into **2024**, **business**.

The following table sets forth, for the periods presented, the consolidated statements of income of the Company and its subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. In the table below and throughout this "Management's Discussion and Analysis of Financial Condition and Results of Operations," consolidated statements of income data for the years ended **December 31, 2021** **December 31, 2022**, **2022** **2023** and **2023** **2024** have been derived from our audited consolidated financial statements. The information contained in the table below should be read in conjunction with our consolidated financial statements and the related notes included elsewhere in this Annual Report on Form 10-K.

	For the year ended December 31,			For the year ended December 31,		
	2021		2022	2023		2024
	(in thousands)			(in thousands)		
Net sales	\$ 541,453	\$ 616,068	\$ 568,178	\$ 616,068	\$ 568,178	\$ 568,504
Cost of sales	399,581	464,612	433,908	464,612	433,908	421,667
Gross profit	141,872	151,456	134,270	151,456	134,270	146,837
Selling, general, and administrative expense	78,844	82,183	78,841	82,183	78,841	91,682
Impairment charges	1,211	-	-	-	-	1,224
Gain on sale leaseback transaction						(42,298)
Intangibles amortization	10,682	10,520	10,520	10,520	10,520	7,520
Income from operations	51,135	58,753	44,909	58,753	44,909	88,709
Interest expense, net	(11,839)	(11,253)	(15,675)	(11,253)	(15,675)	(15,260)
Loss on extinguishment of debt	(4,936)	-	-			
Other income (expense), net	228	(139)	-	(139)	-	442
Income before taxes	34,588	47,361	29,234	47,361	29,234	73,891
Income tax expense	3,897	8,752	5,511	8,752	5,511	17,740
Net income	\$ 30,691	\$ 38,609	\$ 23,723	\$ 38,609	\$ 23,723	\$ 56,151

The following table sets forth, for the periods indicated, the percentage of certain items in our consolidated statement of income data, relative to net sales:

	For the year ended December 31,			For the year ended December 31,		
	2021		2022	2023		2024
	(in %)			(in %)		
Net sales	100.0%		100.0%	100.0%	100.0%	100.0%
Cost of sales	73.8%		75.4%	76.4%	75.4%	74.2%
Gross profit	26.2%		24.6%	23.6%	24.6%	23.6%
Selling, general, and administrative expense	14.6%		13.4%	13.9%	13.4%	13.9%
Impairment charges	0.2%		0.0%	0.0%	0.0%	0.2%
Gain on sale leaseback transaction					0.0%	0.0%
Intangibles amortization	2.0%		1.7%	1.8%	1.7%	1.3%
Income from operations	9.4%		9.5%	7.9%	9.5%	7.9%
Interest expense, net	(2.2)%		(1.8)%	(2.8)%	(1.8)%	(2.8)%
Loss on extinguishment of debt	(0.9)%		0.0%	0.0%		(2.7)%

Other income (expense), net	0.0%	(0.0)%	0.0%	(0.0)%	0.0%	0.1%
Income before taxes	6.3%	7.7%	5.1%	7.7%	5.1%	13.0%
Income tax expense	0.7%	1.4%	0.9%	1.4%	0.9%	3.1%
Net income	5.6%	6.3%	4.2%	6.3%	4.2%	9.9%

Year Ended December 31, 2023 December 31, 2024 Compared to Year Ended December 31, 2022 December 31, 2023

**Net Sales.** Net sales were \$568.2 \$568.5 million for the year ended December 31, 2023 December 31, 2024 compared to \$616.1 \$568.2 million in 2022, a decrease 2023, an increase of \$47.9 \$0.3 million, or 7.8% 0.1%. Net sales decreased increased for the year ended December 31, 2023 December 31, 2024 primarily due to higher volumes at Work Truck Solutions, somewhat offset by low snowfall in our core markets leading to lower volumes at our Work Truck Attachment segment. Attachments in 2024. See below for a discussion of net sales for each of our segments.

	For the year ended December 31,			For the year ended December 31,		
	2021	2022	2023	2022	2023	2024
Net sales						
Work Truck Attachments	\$ 325,707	\$ 382,296	\$ 291,723	\$ 382,296	\$ 291,723	\$ 256,010
Work Truck Solutions	215,746	233,772	276,455	233,772	276,455	312,494
	\$ 541,453	\$ 616,068	\$ 568,178	\$ 616,068	\$ 568,178	\$ 568,504

Net sales at our Work Truck Attachment segment were \$291.7 \$256.0 million for the year ended December 31, 2023 December 31, 2024 compared to \$382.3 \$291.7 million in the year ended December 31, 2022 December 31, 2023, a decrease of \$90.6 \$35.7 million primarily due to low snowfall in our core markets, as well as the impact of multiple years of below average snowfall, leading to lower volumes in 2023, somewhat offset by pricing actions implemented to offset inflation.2024. The most recent snow season ended March 2023 2024 was approximately 11.0% 32.9% below the 10-year average. In particular, many large metropolitan areas on the East Coast saw the lowest snowfall levels in decades for the season, which significantly impacted volumes for the segment in 2023.

Net sales at our Work Truck Solutions segment were \$276.5 \$312.5 million for the year ended December 31, 2023 December 31, 2024 compared to \$233.8 \$276.5 million in the year ended December 31, 2022 December 31, 2023, an increase of \$42.7 \$36.0 million due primarily to as a result of higher volumes on improved chassis availability, throughput, price increase realization, as well as higher sales of Company purchased chassis, which are typically sold at cost, as well as price increase realization. Company-purchased chassis.

**Cost of Sales.** Cost of sales was \$433.9 \$421.7 million for the year ended December 31, 2023 December 31, 2024 compared to \$464.6 \$433.9 million in 2022, 2023, a decrease of \$30.7 \$12.2 million, or 6.6% 2.8%. The decrease in cost of sales for the year ended December 31, 2023 December 31, 2024 compared to the prior year was driven by the lower volumes, volumes at Work Truck Attachments. Cost of sales as a percentage of net sales increased decreased from 75.4% for the year ended December 31, 2022 to 76.4% for the year ended December 31, 2023 to 74.2% for the year ended December 31, 2024. The increase decrease in cost of sales as a percentage of sales in the year ended December 31, 2023 December 31, 2024 when compared to the year ended December 31, 2022 December 31, 2023 was primarily due to the lower volumes and product mix, spending in conjunction with our 2024 Cost Savings Program, as well as improved throughput at Work Truck Solutions.

**Gross Profit.** Gross profit was \$134.3 \$146.8 million for the year ended December 31, 2023 December 31, 2024 compared to \$151.5 \$134.3 million in 2022, a decrease 2023, an increase of \$17.2 \$12.5 million, or 11.4% 9.3%, due to the decrease increase in net sales described above under “Net Sales.” As a percentage of net sales, gross profit decreased increased from 24.6% 23.6% for the year ended December 31, 2022 December 31, 2023 to 23.6% 25.8% for the corresponding period in 2023, 2024, as a result of the factors discussed above under “Cost of Sales.”

**Selling, General and Administrative Expense.** Selling, general and administrative expenses, including intangible asset amortization, were \$99.2 million for the year ended December 31, 2024 compared to \$89.4 million for the year ended December 31, 2023 compared to \$92.7 million for the year ended December 31, 2022, a decrease an increase of \$3.3 \$9.8 million, or 3.6% 11.0%. The decrease increase compared to the year ended December 31, 2022 December 31, 2023 was due to lower \$5.2 million in transaction costs related to the sale leaseback transaction, higher stock based compensation of \$5.8 \$3.9 million and incentive-based compensation of \$3.2 million \$1.8 million resulting from the decrease increase in operating performance, performance, \$1.4 million in CEO transition costs, an increase in employee benefits costs of \$1.0 million, and an increase in severance costs of \$0.9 million related to salaried headcount reductions at our Work Truck Attachments segment and our corporate function as part of our 2024 Cost Savings Program. The decrease increase was somewhat offset by increased employee compensation and benefits lower intangibles amortization of \$2.7 million as a result of inflation and increased healthcare claims, \$3.0 million related to an increase in bad debt expense of \$1.8 million asset becoming fully amortized when compared to the prior year, lower advertising expenses of \$0.8 million, as well as other cost savings related to the release of previously recorded

reserves in the prior year, and an increase in supplies and other discretionary spending, our 2024 Cost Savings Program. As a percentage of net sales, selling, general and administrative expenses, including intangibles amortization, increased from 15.1% 15.7% for the year ended December 31, 2022 December 31, 2023 to 15.7% 17.4% for the corresponding period in 2023. 2024.

**Impairment Charges.** Impairment charges were \$1.2 million in the year ended December 31, 2024 compared to \$0.0 million in the prior year. The impairment charges in 2024 relate to certain internally developed software at our Work Truck Attachments segment and represent the full capitalized value of the software.

**Gain on Sale Leaseback Transaction.** Gain on sale leaseback transaction was \$42.3 million in the year ended December 31, 2024 compared to \$0.0 million in the prior year, see Note 6 to the Consolidated Financial Statements for additional information on the sale leaseback transaction.

**Interest Expense.** Interest expense was \$15.7 \$15.3 million for the year ended December 31, 2023 December 31, 2024 compared to \$11.3 \$15.7 million in the corresponding period in 2022. 2023. The increase decrease in interest expense for the year ended December 31, 2023 December 31, 2024 was primarily due to higher lower interest on our revolver of \$3.0 million \$0.9 million due to having higher lower revolver borrowings compared to the prior year. In addition, the increase decrease was due to higher lower interest on our term loan of \$0.5 million related to higher lower interest rates, rates, as well as lower debt as a result of a \$42.0 million prepayment made in September 2024. See Note 8 to the Consolidated Financial Statements for additional information. The remaining increase relates to decrease in interest expense was somewhat offset by an increase in interest on our floor plan agreement, of \$0.7 million, see Note 5 to the Consolidated Financial Statements for additional information regarding the floor plan agreement.

**Income Tax Expense.** Our effective combined federal and state tax rate for 2023 2024 was 18.9% 24.0% compared to 18.5% 18.9% for 2022, 2023. The effective tax rate for the year ended December 31, 2023 was impacted by a tax benefit related to the purchase of investment tax credits included in the annual effective tax rate. The effective tax In addition, the rate for the year ended December 31, 2022 was lower than historical averages in 2023 related to higher tax credits and state income tax rate changes. that favorably impacted the rate.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The largest item affecting the deferred taxes is the difference between book and tax amortization of goodwill and other intangible amortization.

**Net Income.** Net income for the year ended December 31, 2023 December 31, 2024 was \$23.7 \$56.2 million compared to net income of \$38.6 \$23.7 million for 2022, a decrease 2023, an increase of \$14.9 \$32.5 million. This decrease increase was driven by the factors described above.

#### **Year Ended December 31, 2022 Compared to Year Ended December 31, 2021**

**Net Sales.** Net sales were \$616.1 million for the year ended December 31, 2022 compared to \$541.5 million in 2021, an increase of \$74.6 million, or 13.8%. Net sales increased for the year ended December 31, 2022 primarily due to pricing actions in both segments, as well as strong pre-season order demand in our Work Truck Attachments segment leading to increased volumes.

Net sales at our Work Truck Attachment segment were \$382.3 million for the year ended December 31, 2022 compared to \$325.7 million in the year ended December 31, 2021, an increase of \$56.6 million primarily due to pricing actions, as well as strong pre-season order demand leading to increased volumes. This increased pre-season order volume was despite snowfall in this most recent snow season ended March 2022 being approximately 14% below the ten-year average, compared to the prior snow season ended March 2021, which was approximately 8% below the ten-year average.

Net sales at our Work Truck Solutions segment were \$233.8 million for the year ended December 31, 2022 compared to \$215.7 million in the year ended December 31, 2021, an increase of \$18.1 million due primarily to price increase realization, somewhat offset by chassis and component shortages leading to lower production and deliveries.

**Cost of Sales.** Cost of sales was \$464.6 million for the year ended December 31, 2022 compared to \$399.6 million in 2021, an increase of \$65.0 million, or 16.3%. The increase in cost of sales for the year ended December 31, 2022 compared to the prior year was driven by the higher volumes at Work Truck Attachments, as well as material, labor and freight inflation. Cost of sales as a percentage of net sales increased from 73.8% for the year ended December 31, 2021 to 75.4% for the year ended December 31, 2022. The increase in cost of sales as a percentage of sales in the year ended December 31, 2022 when compared to the year ended December 31, 2021 was primarily due to inflation, slightly offset by product mix and cost savings initiatives.

**Gross Profit.** Gross profit was \$151.5 million for the year ended December 31, 2022 compared to \$141.9 million in 2021, an increase of \$9.6 million, or 6.8%, due to the increase in net sales described above under "Net Sales." As a percentage of net sales, gross profit decreased from 26.2% for the year ended December 31, 2021 to 24.6% for the corresponding period in 2022, as a result of the factors discussed above under "Cost of Sales."

**Selling, General and Administrative Expense.** Selling, general and administrative expenses, including intangible asset amortization, were \$92.7 million for the year ended December 31, 2022 compared to \$89.5 million for the year ended December 31, 2021, an increase of \$3.2 million, or 3.6%. The increase compared to the year ended December 31, 2021 was due to increased salaries and benefits, incentive compensation, travel expenditures, advertising costs, as well as other discretionary

spending as spending was reduced in 2021 as a result of the COVID-19 pandemic. This increase was somewhat offset by a decrease in bad debt expense. As a percentage of net sales, selling, general and administrative expenses, including intangibles amortization, decreased from 16.5% for the year ended December 31, 2021 to 15.1% for the corresponding period in 2022.

**Impairment Charges.** Impairment charges were \$0.0 million and \$1.2 million for the years ended December 31, 2022 and 2021, respectively. The impairment charges in 2021 relate to impairments recorded on leases for two Work Truck Solutions locations where we are significantly reducing our footprint. See Note 6 for additional information.

**Interest Expense.** Interest expense was \$11.3 million for the year ended December 31, 2022 compared to \$11.8 million in the corresponding period in 2021. The decrease in interest expense for the year ended December 31, 2022 was primarily due to lower interest paid on our term loan of \$2.4 million due to the decrease in principal balance from the June 9, 2021 refinancing. Somewhat offsetting this decrease is an increase in interest expense on our revolving line of credit of \$1.6 million in the year ended December 31, 2022 due to having higher revolver borrowings during the year, as well as an increase in the variable interest rate in 2022. Also offsetting this decrease in interest expense was having a (\$0.7) million gain in non-cash mark-to-market and amortization adjustments on an interest rate swap not accounted for as a hedge in the year ended December 31, 2022, respectively, compared to a (\$1.2) million gain in the year ended December 31, 2021. See Note 8 for additional information.

**Loss on Extinguishment of Debt.** Loss on extinguishment of debt was \$4.9 million in the year ended December 31, 2021. The loss on extinguishment of debt in 2021 related to fees incurred in conjunction with our June 9, 2021 refinancing of the Credit Agreement. The previous debt was considered extinguished, as all lenders on our previous term loan exited their positions in conjunction with changing from a Term Loan B to a Term Loan A arrangement.

**Income Tax Expense.** Our effective combined federal and state tax rate for 2022 was 18.5% compared to 11.3% for 2021. The effective tax rate for the year ended December 31, 2022 was higher than the rate in the prior year due to a discrete tax benefit of \$3.3 million in the year ended December 31, 2021 related to favorable income tax audit results in states in which we file. The effective tax rate for the year ended December 31, 2022 was lower than historical averages related to higher tax credits and state income tax rate changes.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The largest item affecting the deferred taxes is the difference between book and tax amortization of goodwill and other intangible amortization.

**Net Income.** Net income for the year ended December 31, 2022 was \$38.6 million compared to net income of \$30.7 million for 2021, an increase of \$7.9 million. This increase was driven by the factors described above.

#### Discussion of Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expenses, and related disclosures. These estimates and assumptions are often based on judgments that we believe to be reasonable under the circumstances at the time made, but all such estimates and assumptions are inherently uncertain and unpredictable. Actual results may differ from those estimates and assumptions, and it is possible that other professionals, applying their own judgment to the same facts and circumstances, could develop and support alternative estimates and assumptions that would result in material changes to our operating results and financial condition. We evaluate our estimates and assumptions on an ongoing basis. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances.

The most significant accounting estimates inherent in the preparation of our financial statements include estimates used in revenue recognition, the accounting for our sale leaseback transaction, and the impairment assessment of indefinite lived intangible assets and goodwill.

We believe the following are the critical accounting policies and estimates that affect our financial condition and results of operations.

#### **Sale Leaseback Transaction**

We assess sale leaseback arrangements to determine whether a sale has occurred under Accounting Standards Codification ("ASC") Topic 606: Revenue from Contracts with Customers ("ASC 606"), as well as assess whether the classification of the lease and/or the payment terms associated with the renewal options preclude sale accounting under ASC 842, Leases ("ASC 842"). These assessments involve a determination of whether or not control of the underlying property has been transferred to the buyer. If we determine control of the underlying property has been transferred to the buyer, we account for the arrangement as a sale and leaseback transaction. If we determine control of the underlying property has not been transferred to the buyer, we account for the arrangement as a financing transaction.

The determination of the fair values of the properties related to our sale-leaseback arrangement requires subjectivity and estimates, including the use of multiple valuation techniques and uncertain inputs, such as market price per square foot and assumed capitalization rates or the replacement cost of the assets, where applicable. Where real estate valuation expertise is required, we obtain independent third-party appraisals to determine the fair value of the underlying asset. While determining fair value requires a variety of input assumptions and judgment, we believe our estimates of fair value are reasonable.

During the year ended December 31, 2024, we closed on a sale leaseback transaction with an unrelated third party. Under this transaction, we sold seven properties with a combined net book value of \$21.9 million for gross proceeds of \$64.2 million, which was reduced by transaction costs of \$5.5 million for net cash proceeds of approximately \$58.7 million. The properties in the sale leaseback transaction are comprised of three facilities located in Milwaukee, Wisconsin and four additional facilities located in each of Huntley, Illinois; Manchester, Iowa; Rockland, Maine; and Madison Heights, Michigan, totaling approximately 780,000 square feet of manufacturing and upfitting space. The lease agreement has an initial term of 15 years, with two optional 10-year renewal options. We recognized a gain of \$42.3 million on this transaction.

which is included in Gain on sale leaseback transaction in the Consolidated Statements of Income. Right-of-use assets and lease liabilities recognized related to this sale leaseback transaction were \$51.9 million and \$51.9 million, respectively.

#### **Revenue Recognition**

##### *Work Truck Attachments Segment Revenue Recognition*

We recognize revenue upon shipment of equipment to the customer. Within the Work Truck Attachments segment, we offer a variety of discounts and sales incentives to our distributors. The estimated liability for sales discounts and allowances is recorded at the time of sale as a reduction of net sales using the expected value method. The liability is estimated based on the costs of the program, the planned duration of the program and historical experience.

##### *Work Truck Solutions Segment Revenue Recognition*

The Work Truck Solutions segment primarily participates in the truck and vehicle upfitting industry in the United States. Customers are billed separately for the truck chassis by the chassis manufacturer. We only record sales for the amount of the upfit, excluding the truck chassis. Generally, we obtain the truck chassis from the truck chassis manufacturer through either our floor plan agreement with a financial institution or bailment pool agreement with the truck chassis manufacturer. Additionally, in some instances we upfit chassis which are owned by the end customer. For truck chassis acquired through the floor plan agreement, we hold title to the vehicle from the time the chassis is received by us until the completion of the up-fit. Under the bailment pool agreement, we do not take title to the truck chassis, but rather only hold the truck chassis on consignment. We pay interest on both of these arrangements. We record revenue in the same manner net of the value of the truck chassis in both our floor plan and bailment pool agreements. We do not set the price for the truck chassis, are not responsible for the billing of the chassis and do not have inventory risk in either the bailment pool or floor plan agreements. The Work Truck Solutions segment also has manufacturing operations of municipal snow and ice control equipment, where revenue is recognized upon shipment of equipment to the customer.

Revenues from the sales of the Work Truck Solutions products are recognized net of the truck chassis with the selling price to the customer recorded as sales and the manufacturing and up-fit cost of the product recorded as cost of sales. In these cases, we act as an agent as we do not have inventory or pricing control over the truck chassis. Within the Work Truck Solutions segment, we also sell certain third-party products for which we act as an agent. These sales do not meet the criteria for gross sales recognition, and thus are recognized on a net basis at the time of sale. Under net sales recognition, the cost paid to the third-party service provider is recorded as a reduction to sales, resulting in net sales being equal to the gross profit on the transaction.

See Note 3 to our audited consolidated financial statements included elsewhere in this Annual Report on Form 10-K for a more detailed description of our revenue recognition policies.

#### **Indefinite Lived Intangible Assets**

We perform an annual impairment test for our indefinite lived intangible assets, and more frequently if an event or circumstances indicate that an impairment loss has been incurred. We carry tradenames associated with our reporting units. Conditions that would trigger an impairment assessment include, but are not limited to, a significant adverse change in legal factors or business climate that could affect the value of an asset. The amount of impairment is determined by the amount the carrying value of the intangible asset exceeds its fair value. If the fair value of the tradename is greater than the carrying amount, there is no impairment. If the carrying amount is greater than the fair value, an impairment loss is recognized equal to the difference. Annual impairment tests conducted by us on December 31, 2023 December 31, 2024, 2022 2023 and 2021 2022 resulted in no adjustment to the carrying value of our indefinite lived intangible assets.

Our indefinite lived intangible assets could be impaired in future periods. A number of factors, many of which we have no ability to control, could affect our financial condition, operating results and business prospects and could cause actual results to differ from the estimates and assumptions we employed. These factors include:

- a prolonged global economic crisis;
- significant inflation or disruptions in the supply of chassis or component parts, as a result from computer chip shortages, labor strikes or otherwise;
- a decrease in the demand for our products;

- the inability to develop new and enhanced products and services in a timely manner;
- a significant adverse change in legal factors or in the business climate;
- an adverse action or assessment by a regulator; and
- successful efforts by our competitors to gain market share in our markets.

At December 31, 2023 December 31, 2024, our Dejana reporting unit had ~~tradenames~~ a ~~tradename~~ of \$14.0 million and an estimated fair value of \$19.7 \$17.6 million. If we are unable to attain the financial projections used in calculating the fair value, or if there are significant market conditions impacting the market approach, including the factors noted above, our Dejana ~~tradenames~~ ~~tradename~~ could be at risk of impairment. If we experience further delays by our supplier and OEM partners in the production and delivery of chassis for a prolonged period of time, which could negatively affect our financial results, the Dejana ~~tradenames~~ ~~tradename~~ may be impaired. The discount rate and royalty rate used in the calculation of the fair value are sensitive and based on our assumptions, and changes to those assumptions could cause the Dejana ~~tradenames~~ ~~tradename~~ to be at risk of impairment. There were no indicators of impairment subsequent to the December 31, 2023 December 31, 2024 impairment test.

#### **Goodwill**

We perform an annual impairment test for goodwill and more frequently if an event or circumstances indicate that an impairment loss has been incurred. Conditions that would trigger an impairment assessment include, but are not limited to, a significant adverse change in legal factors or business climate that could affect the value of an asset. The amount of goodwill impairment is determined by the amount the carrying value of the reporting unit exceeds its fair value. We have determined we have four three reporting units, and all significant decisions are made on a company-wide basis by our chief operating decision maker. The fair value of the reporting unit is estimated by using an income and market approach. The estimated fair value is compared with our aggregate carrying value. If our fair value is greater than the carrying amount, there is no impairment. If our carrying amount is greater than the fair value, an impairment loss is recognized equal to the difference. Annual impairment tests conducted by us on December 31, 2023 December 31, 2024 and 2022 2023 resulted in no adjustment to the carrying value of our goodwill.

The Work Truck Attachments segment consists of two one reporting units: unit: Commercial Snow & Ice and Douglas Dynamics Vertical Integration. Only the Commercial Snow & Ice reporting unit has goodwill. Ice. The impairment tests performed as of December 31, 2022 December 31, 2023 and December 31, 2023 December 31, 2024 indicated no impairment for the Commercial Snow & Ice reporting unit. The Work Truck Solutions consists of two reporting units: units: Municipal and Dejana. Each of the Municipal and Dejana reporting units had \$0 in goodwill at December 31, 2022 December 31, 2023 and December 31, 2023 December 31, 2024.

#### **Liquidity and Capital Resources**

Our principal sources of cash have been and we expect will continue to be cash from operations and borrowings under our senior credit facilities.

Our primary uses of cash are to provide working capital, meet debt service requirements, finance capital expenditures, pay dividends under our dividend policy and support our growth, including through potential acquisitions, and for other general corporate purposes. For a description of the seasonality of our working capital rates see "—Seasonality and Year-To-Year Variability."

Our Board of Directors has adopted a dividend policy that reflects an intention to distribute to our stockholders a regular quarterly cash dividend. The declaration and payment of these dividends to holders of our common stock is at the discretion of our Board of Directors and depends upon many factors, including our financial condition and earnings, legal requirements, taxes and other factors our Board of Directors may deem to be relevant. The terms of our indebtedness may also restrict us from paying cash dividends on our common stock under certain circumstances. As a result of this dividend policy, we may not have significant cash available to meet any large unanticipated liquidity requirements. As a result, we may not retain a sufficient amount of cash to fund our operations or to finance unanticipated capital expenditures or growth opportunities, including acquisitions. Our Board of Directors may, however, amend, revoke or suspend our dividend policy at any time and for any reason.

On February 16, 2022, our Board of Directors authorized the purchase of up to \$50.0 million in shares of common stock at market value. This authorization does not have an expiration date. Repurchases under the program may be made in the open market, in privately negotiated transactions or otherwise, with the amount and timing of repurchases depending on market conditions and corporate needs. We may also, from time to time, enter into Rule 10b5-1 trading plans to facilitate repurchases of its shares under this authorization. This program does not obligate us to acquire any particular amount of shares and the program may be extended, modified, suspended or

discontinued at any time at our discretion. We made \$0.0 million in share repurchases during the year ended December 31, 2023 December 31, 2024. We made \$6.0 \$0.0 million in share repurchases during the year ended December 31, 2022 December 31, 2023.

As of December 31, 2023 December 31, 2024, we had liquidity comprised of approximately \$24.2 \$5.1 million in cash and cash equivalents and borrowing availability of approximately \$102.5 \$149.5 million under our revolving credit facility. We have taken various steps to preserve liquidity, including reducing discretionary spending and deferring payments where appropriate within existing contractual terms, while remaining committed to long-term growth projects. In January 2024, we implemented the 2024 Cost Savings Program, which is primarily in the form of restructuring charges for salaried headcount reductions and impacted both the Work Truck Attachments segment and corporate functions. In addition, as discussed in Note 6 and Note 8 to the Consolidated Financial Statements, in September 2024, we executed a sale leaseback transaction for gross proceeds of \$64.2 million, and, using a portion of the proceeds, we paid down \$42.0 million on our term loan. In consideration of the macroeconomic factors facing the Company and the various actions we have taken to preserve our liquidity, we expect that cash on hand, cash generated from operations, as well as available credit under our senior credit facilities will provide adequate funds for the purposes described above for both 12 months from the date of this report, as well as beyond 12 months from the date of this report.

On June 9, 2021, Douglas Dynamics, Inc. (the "Company"), as guarantor, and its wholly-owned subsidiaries, Douglas Dynamics, L.L.C. ("DDI LLC" or the "Term Loan Borrower"), Fisher, LLC ("Fisher"), Trynex International LLC ("Trynex"), Henderson Enterprises Group, Inc. ("Enterprises"), Henderson Products, Inc. ("Products"), and Dejana Truck & Utility Equipment Company, LLC ("Dejana"), together with DDI LLC, Fisher, Trynex, Enterprises and Products, the "Revolving Loan Borrowers", and together with DDI LLC in its capacity as the Term Loan Borrower, the "Borrowers", as borrowers, entered into a Credit Agreement (following such time as it was amended by the Amendment No. 1 (as defined below), the "Credit Agreement") with the banks and financial institutions listed in the Credit Agreement, as lenders, JPMorgan Chase Bank, N.A., as administrative agent, J.P. Morgan Chase Bank, N.A. and CIBC Bank USA, as joint lead arrangers and joint bookrunners, CIBC Bank USA, as syndication agent, and Bank of America, N.A. and Citizens Bank, N.A., as co-documentation agents.

The Credit Agreement provides for a senior secured term loan to the Term Loan Borrower in the amount of \$225.0 million and a senior secured revolving credit facility available to the Revolving Loan Borrowers in the amount of \$100.0 million, of which \$10.0 million will be available in the form of letters of credit and \$15.0 million will be available for the issuance of short-term swingline loans. The Credit Agreement also allows the Revolving Loan Borrowers to request increases to the revolving commitments and/or incremental term loans in an aggregate amount not in excess of \$175.0 million (the "Revolving Commitment Increase Option"), subject to specified terms and conditions. The final maturity date of the Credit Agreement is June 9, 2026.

On January 5, 2023, the Company entered into that certain Amendment No. 1 to Credit Agreement and Revolving Credit Commitment Increase Supplement ("Amendment No. 1") by and among the Company, the Borrowers, the financial institutions listed in Amendment No. 1 as lenders, and JPMorgan Chase Bank, N.A., as administrative agent, which amended the Credit Agreement and pursuant to which, among other things, (i) the Revolving Loan Borrowers exercised a portion of the Revolving Commitment Increase Option and increased the revolving commitment under the Credit Agreement by \$50.0 million for a total of \$150.0 million in the aggregate and (ii) the London Interbank Offered Rate pricing option under the Credit Agreement was replaced with a Term SOFR Rate pricing option. On July 11, 2023, the Company entered into Amendment No. 2 to the Credit Agreement, which allows the Company to take out loans of up to \$1.0 million against its corporate-owned life insurance policies.

On January 29, 2024, the Company entered into Amendment No. 3 to the Credit Agreement, which modifies modified the minimum required Leverage Ratio (as defined in the Credit Agreement) of the Company, which is measured as of the last day of each Reference Period (as defined in the Credit Agreement), from 3.50 to 1.00 for each Reference Period to (i) 3.50 to 1.00 for each Reference Period ending on or prior to September 30, 2023, (ii) 4.25 to 1.00 for the Reference Period ending on December 31, 2023, (iii) 4.00 to 1.00 for each Reference Period ending on March 31, 2024 and June 30, 2024, and (iv) 3.50 to 1.00 for each Reference Period ending on September 30, 2024 and thereafter.

Pursuant to Amendment No. 1, the Credit Agreement provides that the senior secured term loan facility will bear interest at (i) the Term SOFR Rate for the applicable interest period plus (ii) a margin ranging from 1.375% to 2.00%, depending on DDI LLC's Leverage Ratio. The Credit Agreement provides that the Revolving Loan Borrowers have the option to select whether the senior secured revolving credit facility borrowings will bear interest at either (i)(a) the Term SOFR Rate for the applicable interest period plus (b) 0.10% plus (c) a margin ranging from 1.375% to 2.00%, depending on DDI LLC's Leverage Ratio, or (ii) a margin ranging from 0.375% to 1.00% per annum, depending on DDI LLC's Leverage Ratio, plus the greatest of (which if the following would be less than 1.00%, such rate shall be deemed to be 1.00%) (a) the Prime Rate (as defined in the Credit Agreement) in effect on such day, (b) the NYFRB Rate (as defined in the Credit Agreement) plus 0.50% and (c) the Term SOFR Rate for a one month interest plus 0.10% (the "Adjusted Term SOFR Rate"). If the Adjusted Term SOFR Rate for the applicable interest period is less than zero, such rate shall be deemed to be zero for purposes of calculating the foregoing interest rates in the Credit Agreement.

#### Cash Flow Analysis

Set forth below is summary cash flow information for each of the years ended December 31, 2021 December 31, 2022, 2022 2023 and 2023 2024.

Cash Flows (in thousands)	Year ended December 31,			Year ended December 31,		
	2021	2022	2023	2022	2023	2024
Net cash provided by operating activities	\$ 60,535	\$ 40,030	\$ 12,469	\$ 40,030	\$ 12,469	\$ 41,131
Net cash used in investing activities	(11,208)	(12,047)	(10,521)			
Net cash provided by (used in) investing activities				(12,047)	(10,521)	56,792
Net cash provided by (used in) financing activities	(53,393)	(44,277)	1,538	(44,277)	1,538	(116,960)
Increase (Decrease) in cash	\$ (4,066)	\$ (16,294)	\$ 3,486	\$ (16,294)	\$ 3,486	\$ (19,037)

#### Sources and Uses of Cash

During the three-year periods described above, net cash provided by operating activities was used for funding capital investment, paying dividends, paying interest on our senior credit facilities, and funding working capital requirements during our pre-season shipping period.

The following table shows our cash and cash equivalents and inventories at December 31, 2021 December 31, 2022, 2022 2023 and 2023 2024.

	December 31,			December 31,		
	2021	2022	2023	December 31,		
				(in thousands)		
Cash and cash equivalents	\$ 36,964	\$ 20,670	\$ 24,156	\$ 20,670	\$ 24,156	\$ 5,119
Accounts receivable, net	71,035	86,765	83,760	86,765	83,760	87,407
Inventories	104,019	136,501	140,390	136,501	140,390	137,034

#### Year Ended December 31, 2023 December 31, 2024 Compared to Year Ended December 31, 2022 December 31, 2023

We had cash and cash equivalents of \$24.2 \$5.1 million at December 31, 2023 December 31, 2024 compared to cash and cash equivalents of \$20.7 \$24.2 million at December 31, 2022 December 31, 2023. The table below sets forth a summary of the significant sources and uses of cash for the periods presented.

Cash Flows (in thousands)	Year ended December 31,			Year ended December 31,		
	2022	2023	Change	2023	2024	Change
Net cash provided by operating activities	\$ 40,030	\$ 12,469	\$ (27,561)	(68.9 %)	\$ 41,131	\$ 28,662
Net cash used in investing activities	(12,047)	(10,521)	1,526	12.7 %		
Net cash provided by (used in) investing activities				(10,521)	56,792	67,313
Net cash provided by (used in) financing activities	(44,277)	1,538	45,815	103.5 %	(116,960)	(118,498)
Increase (Decrease) in cash	\$ (16,294)	\$ 3,486	\$ 19,780	121.4 %	\$ (19,037)	\$ (22,523)

Net cash provided by operating activities decreased \$27.6 increased \$28.7 million from the year ended December 31, 2022 December 31, 2023 to the year ended December 31, 2023 December 31, 2024. The decrease increase in cash provided by operating activities was due to \$45.3 million in favorable working capital changes and changes in operating assets and liabilities in the year ended December 31, 2024, somewhat offset by a \$3.3 \$16.6 million decrease in net income adjusted for reconciling items in the year ended December 31, 2023 and \$24.2 million in unfavorable working capital changes. items. The largest driver negatively positively impacting working capital was an increase a decrease in cash used for accounts payable related to the timing of supplier payments. Somewhat offsetting this unfavorable working capital change was payments, as well as a favorable decrease in income tax receivable, an increase in accrued wages, benefits and incentives, and a decrease in cash used for inventory related to a larger increase reduced inventory levels in inventory in the prior year from pulling forward purchases in anticipation of inflationary price increases and supply chain disruptions, and higher material costs due to inflation, as well as a decrease in cash used for accounts receivable attributable to the decrease in sales compared to the prior year, in particular in the fourth quarter. 2024.

Net cash used in provided by investing activities decreased \$1.5 increased \$67.3 million for the year ended December 31, 2023 December 31, 2024, compared to the corresponding period in 2022 2023 due to gross proceeds on the sale leaseback transaction of \$64.2 million, as well as a decrease in capital expenditures.

Net cash used in financing activities decreased \$45.8 million for the year ended December 31, 2023 December 31, 2024 as compared to the corresponding period in 2022. The decrease in cash used was primarily due to having \$47.0 million \$0.0 million in revolver borrowings outstanding at December 31, 2023 December 31, 2024, compared to \$0.0 million in revolver borrowings \$47.0 million outstanding at December 31, 2022 December 31, 2023. See Note 8 to the Condensed Consolidated Financial Statements for additional information. In addition, the decrease in cash used in financing activities is related to executing no stock repurchases a \$42.0 million voluntary pre-payment of debt amortization principal payments in 2024 using a portion of the nine months ended September 30, 2023, compared proceeds from the sale leaseback transaction, in comparison to \$6.0 million in repurchases in the same period in the prior year. Somewhat offsetting the decrease in cash used is a \$10.0 million increase in the repayment of long-term debt related to a voluntary pre-payment of debt amortization principal payments in 2023, see Note 8 to the Condensed Consolidated Financial Statements for additional information.

#### Year Ended December 31, 2022 Compared to Year Ended December 31, 2021

We had cash and cash equivalents of \$20.7 million at December 31, 2022 compared to cash and cash equivalents of \$37.0 million at December 31, 2021. The table below sets forth a summary of the significant sources and uses of cash for the periods presented.

Cash Flows (in thousands)	Year ended December 31,		
	2021	2022	Change
Net cash provided by operating activities	\$ 60,535	\$ 40,030	\$ (20,505 ) (33.9 %)
Net cash used in investing activities	(11,208 )	(12,047 )	(839 ) (7.5 %)
Net cash used in financing activities	(53,393 )	(44,277 )	9,116 17.1 %
 Increase (Decrease) in cash	 \$ (4,066 )	 \$ (16,294 )	 \$ (12,228 ) (300.7 %)

Net cash provided by operating activities decreased \$20.5 million from the year ended December 31, 2021 to the year ended December 31, 2022. The decrease in cash provided by operating activities was due to a \$3.4 million decrease in net income adjusted for reconciling items in the year ended December 31, 2022 and \$17.1 million in unfavorable working capital changes. The largest drivers negatively impacting working capital were an increase in accounts receivable attributable to the increase in sales compared to the prior year, as well as an increase in inventory due to the pulling forward of purchases in anticipation of inflationary price increases and supply chain disruptions, as well as higher material costs due to inflation, somewhat offset by an increase in accounts payable due to the timing of payments.

Net cash used in investing activities increased \$0.8 million for the year ended December 31, 2022, compared to the corresponding period in 2021 due to an increase in capital expenditures.

Net cash used in financing activities decreased \$9.1 million for the year ended December 31, 2022 as compared to the corresponding period in 2021. The decrease was primarily a result of making a voluntary \$20.0 million prepayment on our debt in the year ended December 31, 2021 and no corresponding payment in 2022. We had no outstanding borrowings under our revolving credit facility at either December 31, 2022 or December 31, 2021. See Note 8 for additional information. Somewhat offsetting this decrease in cash used in financing activities is an increase related to \$6.0 million in stock repurchases executed in the year ended December 31, 2022 and no repurchases in the prior year.

#### Non-GAAP Financial Measures

This Annual Report on Form 10-K contains financial information calculated other than in accordance with U.S. generally accepted accounting principles ("GAAP").

These non-GAAP measures include:

- Free cash flow; and
- Adjusted EBITDA; and
- Adjusted net income and earnings per share.

These non-GAAP disclosures should not be construed as an alternative to the reported results determined in accordance with GAAP.

Net cash provided by operating activities was \$41.1 million in the year ended December 31, 2024 as compared to \$12.5 million in the year ended December 31, 2023 as compared to \$40.0 million in the year ended December 31, 2022. Free cash flow (as defined below) for the year ended December 31, 2024 was \$33.3 million compared to \$1.9 million in 2023, an increase in free cash flow of \$31.4 million, or 1652.6%. The increase in free cash flow is primarily a result of an increase in cash

provided by operating activities of \$28.7 million and a decrease in capital expenditures of \$2.7 million, as discussed above under "Liquidity and Capital Resources." Free cash flow for the year ended December 31, 2023 was \$1.9 million compared to \$28.0 million in 2022, a decrease in free cash flow of \$26.1 million, or 93.2%. The decrease in free cash flow is primarily a result of a decrease in cash provided by operating activities of \$27.6 million and a decrease in capital expenditures of \$1.5 million as discussed above under "Liquidity and Capital Resources." Free cash flow for the year ended December 31, 2022 was \$28.0 million compared to \$49.3 million in 2021, a decrease in free cash flow of \$21.3 million, or 43.2%. The decrease in free cash flow is primarily a result of a decrease in cash provided by operating activities of \$20.5 million and an increase in capital expenditures of \$0.8 million.

Free cash flow is a non-GAAP financial measure, which we define as net cash provided by operating activities less capital expenditures. Free cash flow should be evaluated in addition to, and not considered a substitute for, other financial measures such as net income and cash flow provided by operations. We believe that free cash flow provides investors with a useful tool to evaluate our ability to generate additional cash flow from our business operations.

The following table reconciles net cash provided by operating activities, a GAAP measure, to free cash flow, a non-GAAP measure.

	For the year ended December 31,			For the year ended December 31,		
	2021	2022	2023	2022	2023	2024
	(in thousands)			(in thousands)		
Net cash provided by operating activities	\$ 60,535	\$ 40,030	\$ 12,469	\$ 40,030	\$ 12,469	\$ 41,131
Acquisition of property and equipment	(11,208)	(12,047)	(10,521)	(12,047)	(10,521)	(7,810)
Free cash flow	\$ 49,327	\$ 27,983	\$ 1,948	\$ 27,983	\$ 1,948	\$ 33,321

Adjusted EBITDA represents net income (loss) before interest, taxes, depreciation and amortization, as further adjusted for certain charges consisting of unrelated legal and consulting fees, pension termination costs, stock based compensation, severance, restructuring charges, loss on disposal of fixed assets related to facility relocations, litigation proceeds, certain non-cash purchase accounting expenses, impairment charges, CEO transition costs, insurance proceeds, gain on sale leaseback transaction and related costs, expenses related to debt modifications, loss on extinguishment of debt, and in 2020 through 2022, incremental costs related to the COVID-19 pandemic. Such COVID-19 related costs included increased expenses directly related to the pandemic, and did not include either production related overhead inefficiencies or lost or deferred sales. We believe these costs were out of the ordinary, unrelated to our business and not representative of our results. We use, and we believe our investors benefit from the presentation of Adjusted EBITDA in evaluating our operating performance because it provides us and our investors with additional tools to compare our operating performance on a consistent basis by removing the impact of certain items that management believes do not directly reflect our core operations. In addition, we believe that Adjusted EBITDA is useful to investors and other external users of our consolidated financial statements in evaluating our operating performance as compared to that of other companies, because it allows them to measure a company's operating performance without regard to items such as interest expense, taxes, depreciation and amortization, which can vary substantially from company to company depending upon accounting methods and book value of assets and liabilities, capital structure and the method by which assets were acquired. Our management also uses Adjusted EBITDA for planning purposes, including the preparation of our annual operating budget and financial projections. Management also uses Adjusted EBITDA to evaluate our ability to make certain payments, including dividends, in compliance with our senior credit facilities, which is determined based on a calculation of "Consolidated Adjusted EBITDA" that is substantially similar to Adjusted EBITDA.

Adjusted EBITDA has limitations as an analytical tool. As a result, you should not consider it in isolation, or as a substitute for net income, operating income, cash flow from operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP. Some of these limitations are:

- Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our indebtedness;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements;
- Other companies, including other companies in our industry, may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure; and

- Adjusted EBITDA does not reflect tax obligations whether current or deferred.

Adjusted EBITDA for the year ended December 31, 2024 was \$79.3 million compared to \$68.1 million in 2023, an increase of \$11.2 million, or 16.4%. Adjusted EBITDA for the year ended December 31, 2023 was \$68.1 million compared to \$86.8 million in 2022, a decrease of \$18.7 million, or 21.5%. Adjusted EBITDA for the year ended December 31, 2022 was \$86.8 million compared to \$79.5 million in 2021, an increase of \$7.3 million, or 9.2%. In addition to the specific changes resulting from the adjustments, the changes to Adjusted EBITDA for the periods discussed resulted from factors discussed above under "—Results of Operations."

The following table presents a reconciliation of net income (loss), the most comparable GAAP financial measure, to Adjusted EBITDA, for each of the periods indicated.

	For the year ended December 31,					For the year ended December 31,									
	2019		2020		2021	2022		2023	2020		2021	2022		2023	2024
	(in thousands)					(in thousands)									
Net income (loss)	\$ 49,166	\$ (86,553)	\$ 30,691	\$ 38,609	\$ 23,723	\$ (86,553)	\$ 30,691	\$ 38,609	\$ 23,723	\$ 56,151					
Interest expense—net	16,782	20,238	11,839	11,253	15,675	20,238	11,839	11,253	15,675	15,260					
Income tax expense (benefit)	13,451	(12,276)	3,897	8,752	5,511	(12,276)	3,897	8,752	5,511	17,740					
Depreciation expense	8,256	8,806	9,634	10,418	11,142	8,806	9,634	10,418	11,142	10,370					
Amortization	10,956	10,931	10,682	10,520	10,520	10,931	10,682	10,520	10,520	7,520					
EBITDA	98,611	(58,854)	66,743	79,552	66,571	(58,854)	66,743	79,552	66,571	107,041					
Purchase accounting (1)	(417)	(2,017)	-	-	-	(2,017)	-	-	-	-					
Stock based compensation	3,239	2,830	5,794	6,730	953	2,830	5,794	6,730	953	4,860					
Impairment charges	-	127,872	1,211	-	-										
Restructuring and severance costs															1,997
Impairment charges (2)											127,872	1,211	-	-	1,224
Gain on sale leaseback transaction											-	-	-	-	(42,298)
Sale leaseback transaction fees											-	-	-	-	5,257
Debt modification expense	-	3,542	-	-	-	3,542	-	-	-	-					
Loss on extinguishment of debt	-	-	4,936	-	-	-	-	-	4,936	-					
Litigation proceeds	(200)	-	-	-	-										
Pension termination	6,609	-	-	-	-										
COVID-19 (2)	-	1,391	82	48	-										
Other charges (3)	263	128	770	450	598										
COVID-19 (3)						1,391	82	48	-	-					
Other charges (4)						128	770	450	598	1,268					
Adjusted EBITDA	\$ 108,105	\$ 74,892	\$ 79,536	\$ 86,780	\$ 68,122	\$ 74,892	\$ 79,536	\$ 86,780	\$ 68,122	\$ 79,349					

(1) Reflects \$217 in reversal of earnout compensation related to Henderson, and \$200 in reversal of earnout compensation related to Dejana, in the year ended December 31, 2019. Reflects \$17 in reversal of earnout compensation related to Henderson, and \$2,000 in reversal of earnout compensation related to Dejana, in the year ended December 31, 2020.

(2) Reflects impairment charges taken on certain internally developed software in the year ended December 31, 2024. Reflects impairment charges on operating lease right of use assets in the year ended December 31, 2021. Reflects goodwill impairment charges in the year ended December 31, 2020.

(3) Reflects incremental costs incurred related to the COVID-19 pandemic for the periods presented. Such COVID-19 related costs include increased expenses directly related to the pandemic, and do not include either production related overhead inefficiencies or lost or deferred sales.

(3)(4) Reflects expenses and accrual reversals for one time, unrelated legal, and consulting fees, **severance, restructuring charges, insurance proceeds, CEO transition costs**, and loss on disposal of fixed assets related to facility relocation for the periods presented.

The following table presents Adjusted EBITDA by segment for the years ended **December 31, 2022 December 31, 2023** and **2023, 2024**.

	For the year ended December 31,		For the year ended December 31,	
	2022		2023	
	2023	2024	2023	2024
Adjusted EBITDA				
Work Truck Attachments	\$ 78,211	\$ 50,563	\$ 50,563	\$ 48,455
Work Truck Solutions	8,569	17,559	17,559	30,894
	\$ 86,780	\$ 68,122	\$ 68,122	\$ 79,349

Adjusted EBITDA at our Work Truck Attachment segment **were \$50.6 was \$48.5** million for the year ended **December 31, 2023 December 31, 2024** compared to **\$78.2 \$50.6** million in the year ended **December 31, 2022 December 31, 2023**, a decrease of **\$27.6 \$2.1** million primarily due to low snowfall in our core markets, as well as the impact of multiple years of below average snowfall, leading to lower **volumes** **volumes** in 2024. The most recent snow season ended March **2023 2024** was approximately **11.0% 32.9%** below the 10-year average. In particular, many large metropolitan areas on the East Coast saw the lowest snowfall levels in decades for the season, which significantly impacted volumes for the segment in 2023.

Adjusted EBITDA at our Work Truck Solutions segment **were \$17.6 was \$30.9** million for the year ended **December 31, 2023 December 31, 2024** compared to **\$8.6 \$17.6** million in the year ended **December 31, 2022 December 31, 2023**, an increase of **\$9.0 \$13.3** million due to improved volumes and price increase realization, as well as improved efficiencies.

Adjusted Net Income and Adjusted Earnings Per Share (calculated on a diluted basis) represents net income (loss) and earnings (loss) per share (as defined by GAAP), excluding the impact of stock based compensation, **pension termination costs, severance, restructuring charges, loss on disposal of fixed assets related to facility relocations, litigation proceeds, non-cash purchase accounting adjustments, certain charges related to unrelated legal fees and consulting fees, CEO transition costs, insurance proceeds, gain on sale leaseback transaction and related transaction costs, expenses related to debt modifications, loss on extinguishment of debt, incremental costs incurred in 2020 through 2022 related to the COVID-19 pandemic, and adjustments on derivatives not classified as hedges, net of their income tax impact**. Such COVID-19 related costs included increased expenses directly related to the pandemic, and did not include either production related overhead inefficiencies or lost or deferred sales. We believe these costs were out of the ordinary, unrelated to our business and not representative of our results. Adjustments on derivatives not classified as hedges are non-cash and are related to overall financial market conditions; therefore, management believes such costs are unrelated to our business and are not representative of our results. Management believes that Adjusted Net Income and Adjusted Earnings Per Share are useful in assessing our financial performance by eliminating expenses and income that are not reflective of the underlying business performance. We believe that the presentation of Adjusted Net Income for the periods presented allows investors to make meaningful comparisons of our operating performance between periods and to view our business from the same perspective as our management. Because the excluded items are not predictable or consistent, management does not consider them when evaluating our performance or when making decisions regarding allocation of resources.

4140

	For the year ended December 31,					For the year ended December 31,				
	2019		2020		2021		2022		2023	
	(in thousands, except per share amounts)									
Net income (loss) (GAAP)	\$ 49,166	\$ (86,553)	\$ 30,691	\$ 38,609	\$ 23,723	\$ (86,553)	\$ 30,691	\$ 38,609	\$ 23,723	\$ 56,151
Adjustments:										
- Purchase accounting (1)	(417)	(2,017)	-	-	-	(2,017)	-	-	-	-
- Stock based compensation	3,239	2,830	5,794	6,730	953	2,830	5,794	6,730	953	4,860
- Impairment charges	-	127,872	1,211	-	-	-	-	-	-	-

- Restructuring and severance costs									1,997	
- Impairment charges (2)					127,872	1,211			1,224	
- Gain on sale leaseback transaction									(42,298)	
- Sale leaseback transaction fees									5,257	
- Debt modification expense		3,542				3,542				
- Loss on extinguishment of debt			4,936				4,936			
- Litigation proceeds	(200)									
- Pension termination	6,609									
- COVID-19 (2)		1,391	82	48						
- Adjustments on derivative not classified as hedge (3)		2,854	(1,192)	(688)	(688)					
- Other charges (4)	263	128	770	450	598					
- COVID-19 (3)				1,391	82	48				
- Adjustments on derivative not classified as hedge (4)				2,854	(1,192)	(688)	(688)		(287)	
- Other charges (5)				128	770	450	598		1,268	
Tax effect on adjustments	(2,373)	(22,200)	(2,900)	(1,635)	(216)	(22,200)	(2,900)	(1,635)	(216)	6,995
Adjusted net income (non-GAAP)	\$ 56,287	\$ 27,847	\$ 39,392	\$ 43,514	\$ 24,370	\$ 27,847	\$ 39,392	\$ 43,514	\$ 24,370	\$ 35,167
Weighted average common shares outstanding assuming dilution	22,813,711	22,872,032	22,964,732	22,916,824	22,962,591	22,872,032	22,964,732	22,916,824	22,962,591	23,509,976

Adjusted earnings per common share - dilutive (non-GAAP)	\$ 2.42	\$ 1.18	\$ 1.67	\$ 1.84	\$ 1.01	\$ 1.18	\$ 1.67	\$ 1.84	\$ 1.01	\$ 1.47
GAAP diluted earnings (loss) per share	\$ 2.11	\$ (3.81)	\$ 1.29	\$ 1.63	\$ 0.98	\$ (3.81)	\$ 1.29	\$ 1.63	\$ 0.98	\$ 2.36
Adjustments net of income taxes:										
- Purchase accounting (1)	(0.02)	(0.07)	-	-	-	(0.07)	-	-	-	-
- Stock based compensation	0.11	0.09	0.20	0.21	0.03	0.09	0.20	0.21	0.03	0.16
- Impairment charges	-	4.72	0.04	-	-	-	-	-	-	-
- Restructuring and severance costs										0.06
- Impairment charges (2)						4.72	0.04	-	-	0.04
- Gain on sale leaseback transaction						-	-	-	-	(1.35)
- Sale leaseback transaction fees						-	-	-	-	0.17
- Debt modification expense		0.10	-	-	-	0.10	-	-	-	-
- Loss on extinguishment of debt		-	-	0.16	-	-	-	0.16	-	-
- Litigation proceeds	-	-	-	-	-	-	-	-	-	-
- Pension termination	0.22	-	-	-	-	-	-	-	-	-
- COVID-19 (2)	-	0.05	-	-	-	-	-	-	-	-
- Adjustments on derivative not classified as hedge (3)	-	0.09	(0.04)	(0.02)	(0.02)	-	-	-	-	-
- Other charges (4)	-	0.01	0.02	0.02	0.02	-	-	-	-	-
- COVID-19 (3)						0.05	-	-	-	-
- Adjustments on derivative not classified as hedge (4)						0.09	(0.04)	(0.02)	(0.02)	(0.01)

- Other charges (5)	0.01	0.02	0.02	0.02	0.04
Adjusted earnings per common share - dilutive (non-GAAP)	\$ 2.42	\$ 1.18	\$ 1.67	\$ 1.84	\$ 1.01
	\$ 1.18	\$ 1.67	\$ 1.84	\$ 1.01	\$ 1.47

(1) Reflects \$217 in reversal of earnout compensation related to Henderson, and \$200 in reversal of earnout compensation related to Dejana in the year ended December 31, 2019. Reflects \$17 in reversal of earnout compensation related to Henderson, and \$2,000 in reversal of earnout compensation related to Dejana in the year ended December 31, 2020.

(2) Reflects impairment charges taken on certain internally developed software in the year ended December 31, 2024. Reflects impairment charges on operating lease right of use assets in the year ended December 31, 2021. Reflects goodwill impairment charges in the year ended December 31, 2020.

(3) Reflects incremental costs incurred related to the COVID-19 pandemic for the periods presented. Such COVID-19 related costs include increased expenses directly related to the pandemic, and do not include either production related overhead inefficiencies or lost or deferred sales.

(3)(4) Reflects non-cash mark-to-market and amortization adjustments on an interest rate swap not classified as a hedge for the periods presented.

(4)(5) Reflects expenses and accrual reversals for one time, unrelated legal, and consulting fees, severance, restructuring charges, insurance proceeds, CEO transition costs, and loss on disposal of fixed assets related to facility relocation for the periods presented.

#### Future Obligations and Commitments

##### Contractual Obligations

We are subject to certain contractual obligations, including long-term debt and related interest. We have net unrecognized tax benefits of \$2.0 \$1.5 million as of December 31, 2023 December 31, 2024. However, we cannot make a reasonably reliable estimate of the period of potential cash settlement of the underlying liabilities; therefore, we have not included unrecognized tax benefits in calculating the obligations set forth in the following table of significant contractual obligations as of December 31, 2023 December 31, 2024.

(Dollars in thousands)	Total	Less than 1 year			3 - 5 years			More than 5 years			Total	Less than 1 year			3 - 5 years			More than 5 years		
		1 - 3 years	3 - 5 years	More than 5 years	1 - 3 years	3 - 5 years	More than 5 years	1 - 3 years	3 - 5 years	More than 5 years		1 - 3 years	3 - 5 years	More than 5 years	1 - 3 years	3 - 5 years	More than 5 years			
Long-term debt (1)	\$ 189,413	\$ 6,875	\$ 182,538	\$ -	\$ -	\$ -	\$ -	\$ 147,526	\$ -	\$ 147,526	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Operating leases - third parties (2)	21,463	6,244	9,808	3,562	1,849	110,804	12,159	19,777	15,004	63,864										
Interest on long-term debt (3)	34,392	14,601	19,791	-	-	14,389	9,593	4,796	-	-										
Total contracted cash obligations	\$ 245,268	\$ 27,720	\$ 212,137	\$ 3,562	\$ 1,849	\$ 272,719	\$ 21,752	\$ 172,099	\$ 15,004	\$ 63,864										

(1) Long-term debt obligation is presented net of discount of \$0.3 \$0.2 million at December 31, 2023 December 31, 2024.

(2) Relates to real estate and equipment operating leases with third parties, including five operating leases for **Work Truck Attachments** manufacturing locations, seven operating leases for **Henderson** manufacturing and upfit and service center locations, and eleven operating leases for **Dejana** locations.

(3) Assumes all debt will remain outstanding until maturity. Interest payments were calculated using interest rates in effect as of **December 31, 2023** **December 31, 2024**.

#### **Senior Credit Facilities**

See Note 8 to the Audited Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K for a description of our senior credit facilities and other debt.

#### Deductibility of Intangible and Goodwill Expense

We possess a favorable tax structure where annual tax-deductible intangible and goodwill amortization expense may be utilized in the event we have sufficient taxable income to utilize such benefit. As we have previously acquired businesses possessing significant intangible assets and goodwill, we have created a favorable tax structure where income tax expense is greater than book amortization expense. We expect the deductibility of intangible assets and goodwill amortization expense to exceed book by approximately **\$5.2** **\$5.7** million in the year ended **December 31, 2024** **December 31, 2025** if we have the taxable income to utilize such benefit.

#### Impact of Inflation

Inflation in materials, freight and labor had a material impact on our profitability in **2022**, **2023** and **2024**, and we expect ongoing inflationary pressures may impact our profitability in **2024**, **2025**. While we anticipate being able to fully cover this inflation by raising prices, there may be a timing difference of when we incur the increased costs and when we realize the higher prices in our backlog. In **2023** **2024** and in previous years, we experienced significant increases in steel costs, but were able or expect to be able to mitigate the effects of these increases through both temporary and permanent steel surcharges; we expect, but cannot be certain, that we will be able to do the same going forward. See "Risk Factors— The price of steel, a commodity necessary to manufacture our products, is highly variable. If the price of steel increases, our gross margins could decline".

#### **Seasonality and Year-To-Year Variability**

While our Work Truck Solutions segment has limited seasonality and variability, our Work Truck Attachments segment is seasonal and also varies from year-to-year. Consequently, our Work Truck Attachments segment results of operations and financial condition vary from quarter-to-quarter and from year-to-year as well. In addition, because of this seasonality and variability, our Work Truck Attachments segment results of operations for any quarter may not be indicative of results of operations that may be achieved for a subsequent quarter or the full year, and may not be similar to results of operations experienced in prior years.

Sales of our Work Truck Attachments segment products are significantly impacted by the level, timing and location of snowfall, with sales in any given year and region most heavily influenced by snowfall levels in the prior snow season (which we consider to begin in October and end in March) in that region. This is due to the fact that end-user demand for our Work Truck Attachments products is driven primarily by the condition of their snow and ice control equipment, and in the case of professional snowplowers, by their financial ability to purchase new or replacement snow and ice control equipment, both of which are significantly affected by snowfall levels. Heavy snowfall during a given winter causes usage of our Work Truck Attachments products to increase, resulting in greater wear and tear to our products and a shortening of their life cycles, thereby creating a need for replacement snow and ice control equipment and related parts and accessories. In addition, when there is a heavy snowfall in a given winter, the increased income our professional snowplowers generate from their professional snowplow activities provides them with increased purchasing power to purchase replacement snow and ice control equipment prior to the following winter. To a lesser extent, sales of our Work Truck Attachments products are influenced by the timing of snowfall in a given winter. Because an early snowfall can be viewed as a sign of a heavy upcoming snow season, our Work Truck Attachments segment's end-users may respond to an early snowfall by purchasing replacement snow and ice control equipment during the current season rather than delaying purchases until after the season is over when most purchases are typically made by end-users.

We attempt to manage the seasonal impact of snowfall on our Work Truck Attachments segment revenues in part through our pre-season sales program, which involves actively soliciting and encouraging pre-season distributor orders in the second and third quarters by offering our distributors a combination of pricing, payment and freight incentives during this period. These pre-season sales incentives encourage our distributors to re-stock their inventory during the second and third quarters in anticipation of the peak fourth quarter retail sales period by offering favorable pre-season pricing and payment deferral until the fourth quarter. As a result, we tend to generate our greatest volume of sales (an average of over two-thirds over the last ten years) during the second and third quarters, providing us with manufacturing visibility for the remainder of the year. By contrast, our revenue and operating results tend to be lowest during the first quarter as management believes our end-users prefer to wait

until the beginning of a snow season to purchase new equipment and as our distributors sell off inventory and wait for our pre-season sales incentive period to re-stock inventory. Fourth quarter sales vary from year-to-year as they are primarily driven by the level, timing and location of snowfall during the quarter. This is because typically most of our fourth quarter sales and shipments consist of re-orders by distributors seeking to restock inventory to meet immediate customer needs caused by snowfall during the winter months.

Our Work Truck Attachments segment revenue and operating results tend to be lowest during the first quarter, during which period we typically experience negative earnings as the snow season draws to a close. Our Work Truck Attachments segment first quarter revenue has varied from approximately \$19.1 million to approximately \$45.8 million between 2018, 2019 and 2023, 2024. During the last five-year period, net income (loss) during the first quarter has varied from net income of approximately \$1.5 million to a net loss of approximately \$13.4 million, with an average net loss of \$4.7 \$6.6 million.

While our Work Truck Attachments monthly working capital has averaged approximately \$57.6 \$54.4 million from 2021, 2022 to 2023, 2024, because of the seasonality of our sales, we experience seasonality in our working capital needs as well. In the first quarter we require capital as we are generally required to build our inventory in anticipation of our second and third quarter sales seasons. During the second and third quarters, our working capital requirements rise as our accounts receivables increase as a result of the sale and shipment of products ordered through our pre-season sales program and we continue to build inventory. Working capital requirements peak towards the end of the third quarter (reaching an average peak of approximately \$64.4 \$63.0 million over the prior three years) and then begin to decline through the fourth quarter through a reduction in accounts receivables (as it is in the fourth quarter that we receive a majority of the payments for previously shipped products).

We also attempt to manage the impact of seasonality and year-to-year variability on our business costs through the effective management of our assets. See "Business—Our Business Strategy—Aggressive Asset Management and Profit Focus." Our asset management and profit focus strategies include:

- the employment of a highly variable cost structure facilitated by a core group of workers that we supplement with a temporary workforce as sales volumes dictate, which allows us to adjust costs on an as-needed basis in response to changing demand;
- our enterprise-wide lean concept, which allows us to adjust production levels up or down to meet demand;
- the pre-season order program described above, which incentivizes distributors to place orders prior to the retail selling season; and
- a vertically integrated business model.

These asset management and profit focus strategies, among other management tools, allow us to adjust fixed overhead and selling, general and administrative expenditures to account for the year-to-year variability of our sales volumes. Management currently estimates that consolidated annual fixed overhead expenses generally range from approximately \$65.0 million in low sales volume years to approximately \$80.0 million in high sales volume years. Further, management currently estimates that consolidated annual sales, general and administrative expenses other than amortization generally approximate \$85.0 \$90.0 million, but can be reduced to approximately \$70.0 \$80.0 million to maximize cash flow in low sales volume years, and can increase to approximately \$95.0 \$100.0 million to maintain customer service and responsiveness in high sales volume years.

Additionally, although modest, our annual capital expenditure requirements, which are normally budgeted around 2-3% of net sales, can be temporarily reduced by up to approximately 40% in response to actual or anticipated decreases in sales volumes. If we are unsuccessful in our asset management initiatives, the seasonality and year-to-year variability effects on our business may be compounded and in turn our results of operations and financial condition may suffer.

#### **Item 7A. Quantitative and Qualitative Disclosures About Market Risk**

##### Quantitative and Qualitative Disclosures About Market Risk

We do not use financial instruments for speculative trading purposes, and do not hold any derivative financial instruments that could expose us to significant market risk. Our primary market risk exposures are changes in interest rates and steel price fluctuations.

##### Interest Rate Risk

We are exposed to market risk primarily from changes in interest rates. Our borrowings, including our term loan and any revolving borrowings under our senior credit facilities, are at variable rates of interest and expose us to interest rate risk. In addition, the interest rate on any revolving borrowings is subject to an increase in the interest rate based on our average daily availability under our revolving credit facility.

As of **December 31, 2023** **December 31, 2024**, we had outstanding borrowings under our term loan of **\$189.4** **\$147.5** million. A hypothetical interest rate change of 1%, 1.5% and 2% on our term loan would have changed interest incurred for the year ended **December 31, 2023** **December 31, 2024** by \$0.5 million, \$0.7 million and \$0.8 million, respectively.

We are party to interest rate swap agreements to reduce our exposure to interest rate volatility. On June 9, 2021, in conjunction with entering into our Credit Agreement, we re-designated our swap. As a result, the swap will be recorded at fair value with changes recorded in Accumulated other comprehensive income. The amortization from Accumulated other comprehensive income into earnings from the previous de-designation has been adjusted as of June 9, 2021 to include the de-recognition of previously recognized mark-to-market gains and the amortization of the off-market component as of the re-designation date, and will continue to be recognized through the life of the swap. On May 19, 2022, we entered into an interest rate swap agreement to further reduce our exposure to interest rate volatility. The interest rate swap has a notional amount of \$125.0 million, effective for the period May 31, 2024 through June 9, 2026. We may have counterparty credit risk resulting from the interest rate swap, which we monitor on an on-going basis. The risk lies with two global financial institutions. Under the interest rate swap agreement, we will either receive or make payments on a monthly basis based on the differential between 2.718% and SOFR. The interest rate swap is accounted for as a cash flow hedge. See Note 8 to our **Condensed** Consolidated Financial Statements for additional details on our interest rate swap agreements.

The interest rate swaps' positive fair value at **December 31, 2023** **December 31, 2024** was **\$4.0** **\$2.3** million, of which **\$3.2** **\$1.7** million and **\$0.8** **\$0.6** million are included in Prepaid and other current assets and Other long-term assets on the Consolidated Balance Sheet, respectively.

As of **December 31, 2023** **December 31, 2024**, we had **\$47.0** **\$0.0** million in outstanding borrowings under our revolving credit facility. A hypothetical interest rate change of 1%, 1.5% and 2% on our revolving credit facility would have changed interest incurred for the year ended **December 31, 2023** **December 31, 2024** by **\$0.7** **\$0.5** million, **\$1.0** **\$0.8** million and **\$1.3** **\$1.0** million, respectively.

#### Commodity Price Risk

In the normal course of business, we are exposed to market risk related to our purchase of steel, the primary commodity upon which our manufacturing depends. While steel is typically available from numerous suppliers, the price of steel is a commodity subject to fluctuations that apply across broad spectrums of the steel market. **We do not use any derivative or hedging instruments to manage the price risk.** If the price of steel increases, including as a result of tariffs, our variable costs could also increase. While historically we have successfully mitigated these increased costs through the implementation of either permanent price increases and/or temporary invoice surcharges, there may be timing differences between when we realize the price increases and incur the increased costs, and in the future we may not be able to successfully mitigate these costs, which could cause our gross margins to decline. If our costs for steel were to increase by \$1.00 in a period in which we were not able to pass any of this increase onto our customers and distributors, our gross margins would decline by \$1.00 in that period.

On December 17, 2024, we entered into a steel hedging agreement to reduce its exposure to commodity price swings. The steel hedging instrument has a notional quantity of 3,000 short tons and is effective for the period August 1, 2025 through December 31, 2025, which we expect to be slightly less than half of our exposure during the effective period. Under the steel hedge agreement, we will make fixed payments of \$819 per short ton for the Steel Hot Rolled Coil (HRC) commodity. The steel hedging instrument is accounted for as a cash flow hedge. The steel hedging instrument's negative fair value at December 31, 2024 was \$0.1 million, which is included in Accrued expenses and other current liabilities on the Consolidated Balance Sheet.

#### Item 8. Financial Statements and Supplementary Data

The financial statements are included in this report beginning on page F-2.

#### Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosures

None

#### Item 9A. Controls and Procedures

Disclosure Controls and Procedures

Our management, with the participation of our **Interim** Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (the "Evaluation") as of the last day of the period covered by this report.

Based upon the Evaluation, our **Interim** Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of **December 31, 2023** **December 31, 2024**. Disclosure controls and procedures are defined by Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act") as controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures.

It should be noted that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

#### **Management's Report on Internal Control Over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control system was designed to provide reasonable assurance to our management and Board of Directors regarding the preparation and fair presentation of our published financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Our management, with the participation of our **Interim** Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our internal control over financial reporting as of **December 31, 2023** **December 31, 2024**. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in *Internal Control—Integrated Framework* (2013 framework). Based on its assessment, management believes that, as of **December 31, 2023** **December 31, 2024**, our internal control over financial reporting was effective based on those criteria.

Deloitte & Touche LLP (PCAOB ID No. 34), an independent registered public accounting firm, has audited the Consolidated Financial Statements included in this Annual Report on Form 10-K and, as part of its audit, has issued an attestation report, included herein, on the effectiveness of our internal control over financial reporting at **December 31, 2023** **December 31, 2024**.

#### Changes in Internal Control Over Financial Reporting

During the last fiscal quarter of the period covered by this report, there were no changes in our internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect such controls.

#### **Item 9B. Other Information**

##### **Rule 10b5-1 Trading Plans**

During the three months ended December 31, **2023, 2024**, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement," or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

#### **Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

### **PART III**

#### **Item 10. Directors, Executive Officers and Corporate Governance**

The information included under the captions "Election of Directors", "Corporate Governance", and "Board of Directors and Corporate Governance" "Delinquent Section 16(a) Reports" in the Company's definitive proxy statement, which is expected to be filed pursuant to Regulation 14A within 120 days following the end of the fiscal year covered by this report (the "Proxy Statement"), is hereby incorporated by reference. The information required by Item 10 with respect to our Executive Officers is included in Part I of this Annual Report on Form 10-K.

We have adopted a Code of Business Conduct and Ethics that applies to our directors, principal executive officer, principal financial officer and principal accounting officer, as well as all of our employees. We have posted a copy of the Code of Business Conduct and Ethics on our website at [www.douglasdynamics.com](http://www.douglasdynamics.com). The Code of Business Conduct and Ethics is also available in print to any stockholder who requests it in writing from the Corporate Secretary at 11270 W. Park Place Suite 300, Milwaukee, WI 53224. We intend to post on our website any amendments to, or waivers (with respect to our principal executive officer, principal financial officer and controller) from, the Code of Business Conduct and Ethics within four business days of any such amendment or waiver. We are not including the information contained on our website as part of, or incorporating it by reference into, this report.

#### **Item 11. Executive Compensation**

The information required in Item 11 is incorporated by reference to the information in the Proxy Statement under the captions "Corporate Governance—Compensation Committee Interlocks and Insider Participation," "Compensation Discussion and Analysis", "Executive Compensation," "Director Compensation" and "Compensation Committee Report."

#### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters**

The information required in Item 12 is incorporated by reference to the information in the Proxy Statement under the captions "Corporate Governance—Ownership of Certain Beneficial Owners and Management—Significant Stockholders" and "—Executive Officers and Directors."

##### Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth information with respect to compensation plans under which equity securities of the Company are authorized for issuance as of **December 31, 2023** **December 31, 2024**.

Equity Compensation Plan Information						
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted - average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column) (1) (2)	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted - average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column) (1) (2)
Equity Compensation plans approved by security holders:						
2010 Stock Incentive Plan:	97,131	\$ -	340,160	99,998	\$ -	-
2024 Stock Incentive Plan:				-	\$ -	882,091
Equity compensation plans not approved by security holders	-	-	-	-	\$ -	-
<b>Total</b>	<b>97,131</b>	<b>\$ -</b>	<b>340,160</b>	<b>99,998</b>	<b>\$ -</b>	<b>882,091</b>

(1) Excludes 300,858 144,330 shares of restricted stock previously granted under the 2024 Stock Incentive Plan. Excludes 372,495 shares of restricted stock previously granted under the Amended and Restated 2010 Stock Incentive Plan.

(2) Calculated excluding the 97,131 99,998 securities shown as to be issued upon exercise of outstanding options, warrants and rights under the 2010 Stock Incentive Plan in column (a), which are subject to performance share unit awards and have no exercise price.

#### **Item 13. Certain Relationships and Related Transactions, and Director Independence**

The information required in Item 13 is incorporated by reference to the information in the Proxy Statement under the caption "Corporate Governance."

#### **Item 14. Principal Accounting Fees and Services**

The information required in Item 14 is incorporated by reference to the information in the Proxy Statement under the caption "Ratification of Appointment of Independent Registered Public Accounting Firm."

### **PART IV**

#### **Item 15. Exhibits and Financial Statement Schedules**

(a) Documents filed as part of this report:

(1) Consolidated Financial Statements:

See "Index to Consolidated Financial Statements" on page F-1, the Report of Independent Registered Public Accounting Firm on page F-2 through F-4 and the Consolidated Financial Statements beginning on page F-5, all of which are incorporated herein by reference.

(2) Financial Statement Schedules:

All schedules have been omitted because the information required in these schedules is included in the Notes to the Consolidated Financial Statements.

(3) Exhibits:

See "Exhibit Index" of this Form 10-K, beginning on the following page.

#### **Item 16. Form 10-K Summary**

Not applicable

49 48

### **Exhibit Index**

<b>Exhibit Number</b>	<b>Title</b>
2.1	<a href="#">Asset Purchase Agreement, dated May 6, 2013 by and between Acquisition Tango LLC, TrynEx, Inc. and shareholders of TrynEx, Inc. named therein [Incorporated by reference to Exhibit 2.1 to Douglas Dynamics, Inc.'s Current Report on Form 8-K filed May 6, 2013 (File No. 001-34728)].</a>

2.2 [First Amendment, dated August 6, 2013, to the Asset Purchase Agreement dated May 6, 2013 by and between TrynEx International LLC, Apex International, Inc. and shareholders of Apex International, Inc. named therein \[Incorporated by reference to Exhibit 2.1 to Douglas Dynamics, Inc.'s Current Report on Form 8-K filed August 5, 2013 \(File No. 001-34728\)\].](#)

2.3 [Merger Agreement, dated November 24, 2014, among Douglas Dynamics, Inc., DDIZ Acquisition, Inc., Henderson Enterprises Group, Inc. and the stockholder representative named therein \[Incorporated by reference to Exhibit 2.1 to Douglas Dynamics, Inc.'s Current Report on Form 8-K filed November 25, 2014 \(File No. 001-34728\)\].](#)

2.4 [Asset Purchase Agreement, dated June 15, 2016, among Acquisition Delta LLC, Peter Paul Dejana Family Trust Dated 12/31/98, Dejana Truck & Utility Equipment Company, Inc. and Andrew Dejana \(as Appointed Agent\) \[Incorporated by reference to Exhibit 2.1 to Douglas Dynamics, Inc.'s Current Report on Form 8-K filed on June 20, 2016 \(File No. 001-34728\)\].](#)

2.5 [First Amendment, dated February 27, 2017, to the Asset Purchase Agreement, dated June 15, 2016, among Acquisition Delta LLC, Peter Paul Dejana Family Trust Dated 12/31/98, Dejana Truck & Utility Equipment Company, Inc. and Andrew Dejana \(as Appointed Agent\) \[Incorporated by reference to Exhibit 2.1 to Douglas Dynamics, Inc.'s Current Report on Form 8-K filed on March 1, 2017 \(File No. 001-34728\)\].](#)

2.6 [Second Amendment, dated September 20, 2017, to the Asset Purchase Agreement, dated June 15, 2016 and amended on February 27, 2017, among Dejana Truck & Utility Equipment Company, LLC \(formerly known as Acquisition Delta LLC\), Peter Paul Dejana Family Trust 12/31/98, Peteco Kings Park Inc. \(formerly known as Dejana Truck & Utility Equipment Company, Inc.\) and Andrew Dejana, as appointed agent \[Incorporated by reference to Exhibit 2.1 to Douglas Dynamics, Inc.'s Current Report on Form 8-K filed on September 26, 2017 \(File No. 001-34728\)\].](#)

3.1 [Fourth Amended and Restated Certificate of Incorporation of Douglas Dynamics, Inc. \[Incorporated by reference to Exhibit 3.3 to Douglas Dynamics, Inc.'s Registration Statement on Form S-1 \(Registration No. 333-164590\)\].](#)

3.2 [Fourth Amended and Restated Bylaws of Douglas Dynamics, Inc. \[Incorporated by reference to Exhibit 3.2 to Douglas Dynamics, Inc.'s Current Report on Form 8-K filed on January 4, 2019 \(File No. 001-34728\)\].](#)

4.1 [Description of Registrant's Securities \[Incorporated by reference to Exhibit 4.1 to Douglas Dynamics, Inc.'s Annual Report on Form 10-K for the period ending December 31, 2021 \(File No. 001-34728\)\].](#)

10.1 [Credit Agreement, dated as of June 9, 2021, among Douglas Dynamics, L.L.C., Fisher, LLC, Trynex International LLC, Henderson Enterprises Group, Inc., Henderson Products, Inc., and Dejana Truck & Utility Equipment Company, LLC, Douglas Dynamics, Inc., the banks and financial institutions listed therein, as lenders, JPMorgan Chase Bank, N.A., as administrative agent, J.P. Morgan Chase Bank, N.A. and CIBC Bank USA, as joint lead arrangers and joint bookrunners, CIBC Bank USA, as syndication agent, and Bank of America, N.A. and Citizens Bank, N.A., as co-documentation agents \[Incorporated by reference to Exhibit 10.1 to Douglas Dynamics, Inc.'s Current Report on Form 8-K dated June 9, 2021 \(File No. 001-34728\)\].](#)

10.2 [Amendment No. 1 to Credit Agreement and Revolving Credit Commitment Increase Supplement, dated as of January 5, 2023, among Douglas Dynamics, L.L.C., Fisher, LLC, Trynex International LLC, Henderson Enterprises Group, Inc., Henderson Products, Inc., and Dejana Truck & Utility Equipment Company, LLC, Douglas Dynamics, Inc., the banks and financial institutions listed therein, as lenders, and JPMorgan Chase Bank, N.A., as administrative agent \(which includes the marked Credit Agreement as Exhibit A thereto\) \[Incorporated by reference to Exhibit 10.1 to Douglas Dynamics, Inc.'s Current Report on Form 8-K filed on January 6, 2023 \(file No. 001-34728\)\].](#)

10.3 [Amendment No. 2 to Credit Agreement, dated as of July 11, 2023, among Douglas Dynamics, L.L.C., Fisher, LLC, Trynex International LLC, Henderson Enterprises Group, Inc., Henderson Products, Inc., and Dejana Truck & Utility Equipment Company, LLC, Douglas Dynamics, Inc., the banks and financial institutions listed therein, as lenders, and JP Morgan Chase Bank, N.A., as administrative agent \(which includes the marked Credit Agreement as Exhibit A thereto\) \[Incorporated by reference to Exhibit 10.1 to Douglas Dynamics, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2023 \(File No. 001-34728\)\].](#)

10.4 [Amendment No. 3 to Credit Agreement and Revolving Credit Commitment Increase Supplement, dated as of January 29, 2024, among Douglas Dynamics, Inc., Douglas Dynamics, L.L.C., Fisher, L.L.C., Trynex International LLC, Henderson Enterprises Group, Inc., Henderson Products, Inc., Dejana Truck & Utility Equipment Company, LLC, the banks and financial institutions listed therein, as lenders, and JP Morgan Chase Bank, N.A., as administrative agent \[Incorporated by reference to Exhibit 10.1 to Douglas Dynamics, Inc.'s Current Report on Form 8-K filed on January 30, 2024 \(file No. 001-34728\)\].](#)

10.5# [Amended and Restated Employment Agreement between Sarah Lauber and Douglas Dynamics, LLC, effective October 31, 2022 \[Incorporated by reference to Exhibit 10.2 to Douglas Dynamics, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2022 \(File No. 001-34728\)\].](#)

Exhibit Number	Title
10.6#	<a href="#">Form of Amended and Restated Deferred Stock Unit Agreement [Incorporated by reference to Exhibit 10.18 to Douglas Dynamics, Inc.'s Registration Statement on Form S-1/A filed on March 8, 2010 (Registration No. 333-164590)].</a>
10.7#	<a href="#">Douglas Dynamics, Inc. Annual Incentive Plan [Incorporated by reference to Exhibit 10.1 to Douglas Dynamics, Inc.'s Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 10, 2016 (File No. 001-34728)].</a>
10.8#	<a href="#">Douglas Dynamics, Inc. Amended and Restated 2010 Stock Incentive Plan [Incorporated by reference to Appendix A to Douglas Dynamics, Inc.'s definitive proxy statement filed with the Securities and Exchange Commission on March 27, 2020 (File No. 001-34728)].</a>

10.9# [Form of Restricted Stock Agreement under Douglas Dynamics, Inc. 2010 Stock Incentive Plan \[Incorporated by reference to Exhibit 10.33 to Douglas Dynamics, Inc.'s Registration Statement on Form S-1 \(Registration No. 333-164590\)\].](#)

10.10# [Alternative Form of Restricted Stock Agreement under Douglas Dynamics, Inc. 2010 Stock Incentive Plan \[Incorporated by reference to Exhibit 10.34 to Douglas Dynamics, Inc.'s Registration Statement on Form S-1 \(Registration No. 333-164590\)\].](#)

10.11# [Form of Restricted Stock Units Agreement under Douglas Dynamics, Inc. 2010 Stock Incentive Plan \[Incorporated by reference to Exhibit 10.35 to Douglas Dynamics, Inc.'s Registration Statement on Form S-1 \(Registration No. 333-164590\)\].](#)

10.12# [Form of Nonqualified Stock Option Agreement under Douglas Dynamics, Inc. 2010 Stock Incentive Plan \[Incorporated by reference to Exhibit 10.36 to Douglas Dynamics, Inc.'s Registration Statement on Form S-1 \(Registration No. 333-164590\)\].](#)

10.13# [Form of Incentive Stock Option Agreement under 2010 Stock Incentive Plan \[Incorporated by reference to Exhibit 10.37 to Douglas Dynamics, Inc.'s Registration Statement on Form S-1 \(Registration No. 333-164590\)\].](#)

10.14# [Form of Restricted Stock Grant Notice and Standard Terms and Conditions under the Douglas Dynamics, Inc. 2010 Stock Incentive Plan \[Incorporated by reference to Exhibit 10.1 to Douglas Dynamics, Inc.'s Current Report on Form 8-K filed December 30, 2010 \(File No. 001-34728\)\].](#)

10.15# [Form of Restricted Stock Unit Grant Notice and Standard Terms and Conditions under the Douglas Dynamics, Inc. 2010 Stock Incentive Plan \[Incorporated by reference to Exhibit 10.2 to Douglas Dynamics, Inc.'s Current Report on Form 8-K filed December 30, 2010 \(File No. 001-34728\)\].](#)

10.16# [Form of Nonemployee Director Restricted Stock Unit Grant Notice and Standard Terms and Conditions under the Douglas Dynamics, Inc. 2010 Stock Incentive Plan \[Incorporated by reference to Exhibit 10.3 to Douglas Dynamics, Inc.'s Current Report on Form 8-K filed December 30, 2010 \(File No. 001-34728\)\].](#)

10.17# [Form of Nonemployee Director Restricted Stock Unit Grant Notice and Standard Terms and Conditions under Douglas Dynamics, Inc. 2010 Stock Incentive Plan, effective in 2021 \[Incorporated by reference to Exhibit 10.1 to Douglas Dynamics, Inc.'s Quarterly Report on Form 10-Q for the Quarterly period Ended June 30, 2021 \(File No. 001-34728\)\].](#)

10.18# [Form of Director and Officer Indemnification Agreement \[Incorporated by reference to Exhibit 10.27 to Douglas Dynamics, Inc.'s Registration Statement on Form S-1/A filed on March 8, 2010 \(Registration No. 333-164590\)\].](#)

10.19# [Douglas Dynamics Nonqualified Deferred Compensation Plan \[Incorporated by reference to Exhibit 10.34 to Douglas Dynamics, Inc.'s Annual Report on Form 10-K for the period ending December 31, 2011 \(File No. 001-34728\)\].](#)

10.20# [Form of Restricted Stock Unit Agreement under Douglas Dynamics, Inc. 2010 Stock Incentive Plan. \[Incorporated by reference to Exhibit 10.36 to Douglas Dynamics, Inc.'s Annual Report on Form 10-K for the period ending December 31, 2012 \(File No. 001-34728\)\].](#)

10.21# [Form of Performance Share Unit Agreement under Douglas Dynamics, Inc. 2010 Stock Incentive Plan. \[Incorporated by reference to Exhibit 10.37 to Douglas Dynamics, Inc.'s Annual Report on Form 10-K for the period ending December 31, 2012 \(File No. 001-34728\)\].](#)

10.22# [Form of Nonemployee Director Restricted Stock Unit Grant Notice and Standard Terms and Conditions under Douglas Dynamics, Inc. 2010 Stock Incentive Plan. \[Incorporated by reference to Exhibit 10.4 to Douglas Dynamics, Inc.'s Quarterly Report on Form 10-Q for the Quarterly Period Ended March 31, 2013 \(File No. 001-34728\)\].](#)

Exhibit Number	Title
10.23#	<a href="#">Form of Grant Notice for Performance Share Units under the Douglas Dynamics, Inc. 2010 Stock Incentive Plan, effective February 19, 2018 [Incorporated by reference to Exhibit 10.41 to Douglas Dynamics, Inc.'s Annual Report on Form 10-K for the period ending December 31, 2018].</a>
10.24#	<a href="#">Form of Grant Notice for Restricted Stock Units under the Douglas Dynamics, Inc. 2010 Stock Incentive Plan, effective February 19, 2018 [Incorporated by reference to Exhibit 10.42 to Douglas Dynamics, Inc.'s Annual Report on Form 10-K for the period ending December 31, 2018].</a>
10.25#	<a href="#">Amended and Restated Employment Agreement between James L. Janik and Douglas Dynamics, LLC, effective February 22, 2019 [Incorporated by reference to Exhibit 10.47 to Douglas Dynamics, Inc.'s Annual Report on Form 10-K for the period ending December 31, 2018 (File No. 001-34728)].</a>
10.26#	<a href="#">Form of Nonemployee Director Restricted Stock Unit Grant Notice and Standard Terms and Conditions under the Douglas Dynamics, Inc. 2010 Stock Incentive Plan, effective February 19, 2019 [Incorporated by reference to Exhibit 10.49 to Douglas Dynamics, Inc.'s Annual Report on Form 10-K for the period ending December 31, 2018 (File No. 001-34728)].</a>
10.27#	<a href="#">Amended and Restated Employment Agreement between Linda Evans and Douglas Dynamics, LLC, effective October 31, 2022 [Incorporated by reference to Exhibit 10.3 to Douglas Dynamics, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2022 (File No. 001-34728)].</a>
10.28#	<a href="#">Employment Agreement between Mark Van Genderen and Douglas Dynamics, LLC, effective January 6, 2023 [Incorporated by reference to Exhibit 10.29 to Douglas Dynamics, Inc.'s Annual Report on Form 10-K for the period ended December 31, 2022 (File No. 001-34728)].</a>

10.29#*	10.29#	<a href="#">Amended and Restated Employment Agreement between Robert McCormick and Douglas Dynamics, LLC, effective October 31, 2022 [Incorporated by reference to Exhibit 10.29 to Douglas Dynamics, Inc's Annual Report on Form 10-K for the period ended December 31, 2023 (File No. 001-34728)].</a>
10.30#		<a href="#">Douglas Dynamics, Inc. 2024 Stock Incentive Plan [Incorporated by reference to Exhibit 10.1 to Douglas Dynamics, Inc.'s Current Report on Form 8-K filed April 26, 2024 (File No. 001-34728)].</a>
10.31#		<a href="#">Form of Restricted Stock Unit Grant Notice and Standard Terms and Conditions under the Douglas Dynamics, Inc. 2024 Stock Incentive Plan [Incorporate by reference to Exhibit 10.2 to Douglas Dynamics, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024 (File No. 001-34728)].</a>
10.32#		<a href="#">Form of Performance Share Unit Notice and Standard Terms and Conditions under the Douglas Dynamics, Inc. 2024 Stock Incentive Plan [Incorporate by reference to Exhibit 10.3 to Douglas Dynamics, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024 (File No. 001-34728)].</a>
10.33#		<a href="#">Form of Nonemployee Director Restricted Stock Unit Grant Notice and Standard Terms and Conditions under the Douglas Dynamics, Inc. 2024 Stock Incentive Plan [Incorporate by reference to Exhibit 10.4 to Douglas Dynamics, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024 (File No. 001-34728)].</a>
10.34#		<a href="#">Retirement and Transition Agreement, dated May 16, 2024, between Douglas Dynamics, LLC and Robert McCormick [Incorporated by reference to Exhibit 10.1 to Douglas Dynamics, Inc.'s Current Report on Form 8-K filed May 17, 2024 (File No. 001-34728)].</a>
10.35#		<a href="#">Consulting Agreement between Douglas Dynamics, LLC and Glenco International LLC (the consulting entity of Robert McCormick), effective as of July 9, 2024 [Incorporated by reference to Exhibit 10.2 to Douglas Dynamics, Inc.'s Current Report on Form 8-K filed May 17, 2024 (File No. 001-34728)].</a>
10.36#		<a href="#">Letter Agreement, dated May 16, 2024, amongst Douglas Dynamics, Inc., Douglas Dynamics, LLC and James L. Janik [Incorporated by reference to Exhibit 10.3 to Douglas Dynamics, Inc.'s Current Report on Form 8-K filed May 17, 2024 (File No. 001-34728)].</a>
10.37#		<a href="#">Restricted Stock Unit Grant Notice and Standard Terms and Conditions for grant to James L. Janik, dated May 16, 2024, under the Douglas Dynamics, Inc. 2024 Stock Incentive Plan [Incorporated by reference to Exhibit 10.4 to Douglas Dynamics, Inc.'s Current Report on Form 8-K filed May 17, 2024 (File No. 001-34728)].</a>
10.38#		<a href="#">Restricted Stock Unit Grant Notice and Standard Terms and Conditions for grant to Sarah Lauber, dated May 16, 2024, under the Douglas Dynamics, Inc. 2024 Stock Incentive Plan [Incorporated by reference to Exhibit 10.5 to Douglas Dynamics, Inc.'s Current Report on Form 8-K filed May 17, 2024 (File No. 001-34728)].</a>
10.39#		<a href="#">Agreement of Purchase and Sale, dated September 10, 2024, among Douglas Dynamics, L.L.C., Henderson Products, Inc., Trynex International LLC and AGNL Blizzard, L.L.C. [Incorporated by reference to Exhibit 10.1 to Douglas Dynamics, Inc.'s Current Report on Form 8-K filed September 12, 2024 (File No. 001-34728)].</a>
10.40#		<a href="#">Lease Agreement, dated September 10, 2024, between Douglas Dynamics, L.L.C. and AGNL Blizzard, L.L.C. [Incorporated by reference to Exhibit 10.2 to Douglas Dynamics, Inc.'s Current Report on Form 8-K filed September 12, 2024 (File No. 001-34728)].</a>
10.41#		<a href="#">Separation Agreement, dated December 18, 2024, among Douglas Dynamics, Inc., Douglas Dynamics, LLC and Linda R. Evans [Incorporated by reference to Exhibit 10.1 to Douglas Dynamics, Inc.'s Current Report on Form 8-K filed December 20, 2024 (File No. 001-34728)].</a>
19.1*		<a href="#">Douglas Dynamics, Inc. Insider Trading Policy</a>
21.1*		<a href="#">Subsidiaries of Douglas Dynamics, Inc.</a>
23.1*		<a href="#">Consent of Deloitte &amp; Touche LLP.</a>
31.1*		<a href="#">Certification of the Company's Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2*		<a href="#">Certification of the Company's Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1*		<a href="#">Certification of the Company's Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
97.1* 97.1		<a href="#">Compensation Recovery Policy, effective October 2, 2023 [Incorporated by reference to Exhibit 97.1 to Douglas Dynamics, Inc's Annual Report on Form 10-K for the period ended December 31, 2024 (File No. 001-34728)].</a>
99.1		Proxy Statement for the 2024 2025 Annual Meeting of Stockholders [To be filed with the Securities and Exchange Commission under Regulation 14A within 120 days after December 31, 2023 December 31, 2024; except to the extent specifically incorporated by reference, the Proxy Statement for the 2024 2025 Annual Meeting of Stockholders shall not be deemed to be filed with the Securities and Exchange Commission as part of this Annual Report on Form 10-K]
101.INS*		Inline XBRL Instance Document
101.SCH*		Inline XBRL Taxonomy Extension Schema
101.CAL*		Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF*		Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB*		Inline XBRL Taxonomy Extension Label Linkbase
101.PRE*		Inline XBRL Taxonomy Extension Presentation Linkbase
104*		Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

# A management contract or compensatory plan or arrangement.

\* Filed herewith.

## Signature

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on this **27th** **25th** day of February, **2024** **2025**.

DOUGLAS DYNAMICS, INC.

By: /s/ ROBERT McCORMICK JAMES L. JANIK  
**Robert McCormick James L. Janik**  
*Interim President and Chief Executive Officer*

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on **February 27, 2024** **February 25, 2025**.

<u>/s/ ROBERT McCORMICK JAMES L. JANIK</u>	<b>Interim President and Chief Executive Officer</b>
<b>Robert McCormick James L. Janik</b>	(Principal Executive Officer) and <b>Director Chairman</b>
<u>/s/ SARAH LAUBER</u>	<b>Executive Vice President, &amp; Chief Financial Officer &amp; Secretary</b>
<b>Sarah Lauber</b>	(Principal Financial Officer)
<u>/s/ JON J. SISULAK</u>	<b>Vice President, Corporate Controller and Treasurer</b>
<b>Jon J. Sisulak</b>	(Controller)
<u>/s/ JAMES L. JANIK</u>	<b>Chairman and Director</b>
<b>James L. Janik</b>	
<u>/s/ JOHER AKOLAWALA</u>	<b>Director</b>
<b>Joher Akolawala</b>	
<u>/s/ LISA R. BACUS</u>	<b>Director</b>
<b>Lisa R. Bacus</b>	
<u>/s/ MARGARET S. DANO</u>	<b>Director</b>
<b>Margaret S. Dano</b>	
<u>/s/ KENNETH W. KRUEGER</u>	<b>Director</b>
<b>Kenneth W. Krueger</b>	
<u>/s/ DONALD W. STURDIVANT</u>	<b>Director</b>
<b>Donald W. Sturdivant</b>	

**Index to Consolidated Financial Statements**

Page

Consolidated Financial Statements	
<a href="#">Report of Independent Registered Public Accounting Firm</a>	F-2
<a href="#">Consolidated Balance Sheets</a>	F-5 F-6
<a href="#">Consolidated Statements of Income</a>	F-6 F-7
<a href="#">Consolidated Statements of Comprehensive Income</a>	F-7 F-8
<a href="#">Consolidated Statements of Changes in Shareholders' Equity</a>	F-8 F-9
<a href="#">Consolidated Statements of Cash Flows</a>	F-9 F-10
	10
<a href="#">Notes to Consolidated Financial Statements</a>	F-10 F-11

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Douglas Dynamics, Inc.

### Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Douglas Dynamics, Inc. and subsidiaries (the "Company") as of **December 31, 2023** **December 31, 2024** and **2022**, the related consolidated statements of income and comprehensive income, changes in shareholders' equity, and cash flows, for each of the three years in the period ended **December 31, 2023** **December 31, 2024**, and the related notes (collectively referred to as the "financial statements"). We also have audited the Company's internal control over financial reporting as of **December 31, 2023** **December 31, 2024**, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of **December 31, 2023** **December 31, 2024** and **2022**, and the results of its operations and its cash flows for each of the three years in the period ended **December 31, 2023** **December 31, 2024**, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of **December 31, 2023** **December 31, 2024**, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

### Basis for Opinions

The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

## Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Critical Audit Matter Matters

The critical audit **matter** **matters** communicated below **is a matter** **are matters** arising from the current-period audit of the financial statements that **was** **were** communicated or required to be communicated to the audit committee and that (1) **relates** **relate** to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit **matter** **matters** below, providing **a** **separate opinion** **opinions** on the critical audit **matter** **matters** or on the accounts or disclosures to which **it relates**; **they relate**.

### Indefinite Lived Intangible Tradename— Dejana— Refer to **Note** **Notes** 2 and 7 to the Financial Statements

#### *Critical Audit Matter Description*

The Company tests the Dejana indefinite lived intangible tradename for impairment annually or whenever events or changes in circumstances indicate the carrying value may not be recoverable by comparing the fair value of the indefinite lived tradename to its carrying value. The Company determines the fair value of the indefinite lived tradename using the relief from royalty method. The significant assumptions used in the determination of the fair value include revenue attributable to the asset, royalty rate and the discount rate, reflecting the risks inherent in the future cash flow stream. Changes in these assumptions could have significant impacts on the fair value of the indefinite lived intangible amount, and the amount of an impairment charge, if any. The Dejana indefinite lived intangible balance was \$14 million as of **December 31, 2023** **December 31, 2024**. The fair value of the Dejana indefinite lived intangible tradename exceeded the carrying value as of the measurement date and, therefore, no impairment was recognized.

The significant estimates and assumptions management makes to estimate the fair value and the sensitivity of Dejana operations to the near-term business disruption from supply chain constraints and chassis availability required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists.

#### *How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to forecasts of future revenue growth, and the selection of royalty and discount rates for the Dejana indefinite lived tradename included the following, among others:

- We tested the effectiveness of internal controls over the indefinite lived intangible tradename, including those related to management's revenue growth assumptions as well as the selection of the royalty and discount rates.
- We evaluated management's ability to accurately forecast revenue by performing a retrospective review of prior forecasts compared to actual results.

- We evaluated the reasonableness of management's forecasts, including the impact of near-term business disruption from supply chain constraints and rising costs, by comparing the forecasts to (1) historical results, (2) internal communications to management and the Board of Directors, and (3) forecasted information included in analyst and industry reports of the Company.
- With the assistance of our fair value specialists, we evaluated the fair value methodology, the royalty rate and the discount rate, including testing the underlying source information and the mathematical accuracy of the calculations. Specific to the discount rate, we considered the inputs and calculations, and we developed a range of independent estimates and compared those to the **respective discount rates rate** selected by management. Specific to the royalty rate, we considered the external information used in developing management's estimate, and we developed a range of independent estimates which we compared to the royalty rate selected by management.

#### **Sale Leaseback Transaction – Refer to Notes 2 and 6 to the Financial Statements**

##### **Critical Audit Matter Description**

As described in Note 6 to the Company's consolidated financial statements, the Company entered into a sale leaseback transaction involving seven properties with an unrelated third party during the year ended December 31, 2024. The Company determined that the transaction qualified as sale leaseback transaction in accordance with Accounting Standards Codification ("ASC") Topic 842, Leases.

We identified management's evaluation of whether the sale leaseback transaction transferred control, was recognized timely, and at fair value, as a critical audit matter. Management applies judgment in assessing relevant lease terms, provisions, and other conditions, including repurchase rights, included in the Company's sale and leaseback agreement to determine whether or not the control of the real estate property has transferred from the Company, the timing of the transaction, and the determination of fair value. Auditing these assessments made by management involved challenging auditor judgment due to the extent of specialized skills or knowledge required.

##### **How the Critical Audit Matter Was Addressed in the Audit**

Our audit procedures related to the sale leaseback transaction included the following, among others:

- We tested the effectiveness of controls over the accounting for sale leaseback transactions, including controls over (a) management's determination of fair value of the property and (b) the application of ASC 606 to determine whether a sale has occurred and ASC 842 to determine the classification of the lease.
- Assessed management's application of ASC Topic 842 and evaluated relevant lease terms, provisions and other conditions included in the Company's sale leaseback agreement to assess the appropriateness of the conclusion that a transfer of control has occurred.
- Evaluated whether the Company appropriately accounted for the sale by recognizing the transaction price for the sale of the properties at the time control is transferred to the third party, derecognizing the carrying amount of the assets, and accounting for the lease in accordance with ASC Topic 842.
- Utilized professionals with specialized skills and knowledge in valuation to assist with assessing whether the fair value of the properties was appropriately recorded for the sale leaseback.
- Recalculated the operating lease right-of-use asset and liability based on the terms of the agreement and calculated incremental borrowing rate.

/s/ DELOITTE & TOUCHE LLP

Milwaukee, Wisconsin

February 27, 2024 25, 2025

We have served as the Company's auditor since 2017.

**DOUGLAS DYNAMICS, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(Dollars In Thousands, Except Per Share Data)

	December 31, 2023	December 31, 2022	December 31, 2024	December 31, 2023
Assets				
Current assets:				

Cash and cash equivalents	\$ 24,156	\$ 20,670	\$ 5,119	\$ 24,156
Accounts receivable, net	83,760	86,765	87,407	83,760
Inventories	140,390	136,501	137,034	140,390
Inventories - truck chassis floor plan	2,217	1,211	2,612	2,217
Refundable income taxes paid	4,817	-	-	4,817
Prepaid and other current assets	6,898	7,774	6,053	6,898
Total current assets	262,238	252,921	238,225	262,238
Property, plant and equipment, net	67,340	68,660	41,311	67,340
Goodwill	113,134	113,134	113,134	113,134
Other intangible assets, net	121,070	131,589	113,550	121,070
Operating leases - right of use asset	18,008	17,432	70,801	18,008
Non-qualified benefit plan assets	9,195	8,874	10,482	9,195
Other long-term assets	2,433	4,281	2,480	2,433
Total assets	\$ 593,418	\$ 596,891	\$ 589,983	\$ 593,418
Liabilities and shareholders' equity				
Current liabilities:				
Accounts payable	\$ 31,374	\$ 49,252	\$ 32,319	\$ 31,374
Accrued expenses and other current liabilities	25,817	30,484	26,182	25,817
Floor plan obligations	2,217	1,211	2,612	2,217
Operating lease liability - current	5,347	4,862	7,394	5,347
Income tax payable	-	3,485	1,685	-
Short-term borrowings	47,000	-	-	47,000
Current portion of long-term debt	6,762	11,137	-	6,762
Total current liabilities	118,517	100,431	70,192	118,517
Retiree benefits and deferred compensation	13,922	14,650	13,616	13,922
Deferred income taxes	27,903	29,837	24,574	27,903
Long-term debt, less current portion	181,491	195,299	146,679	181,491
Operating lease liability - noncurrent	13,887	14,025	64,785	13,887
Other long-term liabilities	6,133	5,547	5,922	6,133
Commitments and contingencies (Note 15)				
Shareholders' equity:				
Common Stock, par value \$0.01, 200,000,000 shares authorized, 22,983,965 and 22,886,793 shares issued and outstanding at December 31, 2023 and December 31, 2022, respectively	230	229		
Common Stock, par value \$0.01, 200,000,000 shares authorized, 23,094,047 and 22,983,965 shares issued and outstanding at December 31, 2024 and December 31, 2023, respectively			231	230
Additional paid-in capital	165,233	164,281	170,092	165,233
Retained earnings	59,746	63,464	88,420	59,746
Accumulated other comprehensive income, net of tax	6,356	9,128	5,472	6,356
Total shareholders' equity	231,565	237,102	264,215	231,565
Total liabilities and shareholders' equity	\$ 593,418	\$ 596,891	\$ 589,983	\$ 593,418

See accompanying Notes to Consolidated Financial Statements

F-5 F-6

**DOUGLAS DYNAMICS, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(In Thousands, Except Per Share Data)

	Years ended December 31,			Years ended December 31,		
	2023	2022	2021	2024	2023	2022
Net sales	\$ 568,178	\$ 616,068	\$ 541,453	\$ 568,504	\$ 568,178	\$ 616,068
Cost of sales	433,908	464,612	399,581	421,667	433,908	464,612
Gross profit	134,270	151,456	141,872	146,837	134,270	151,456
Selling, general, and administrative expense	78,841	82,183	78,844	91,682	78,841	82,183
Impairment charges	-	-	1,211	1,224	-	-
Gain on sale leaseback transaction				(42,298)	-	-
Intangibles amortization	10,520	10,520	10,682	7,520	10,520	10,520
Income from operations	44,909	58,753	51,135	88,709	44,909	58,753
Interest expense, net	(15,675)	(11,253)	(11,839)	(15,260)	(15,675)	(11,253)
Loss on extinguishment of debt	-	-	(4,936)			
Other income (expense), net	-	(139)	228	442	-	(139)
Income before taxes	29,234	47,361	34,588	73,891	29,234	47,361
Income tax expense	5,511	8,752	3,897	17,740	5,511	8,752
Net income	\$ 23,723	\$ 38,609	\$ 30,691	\$ 56,151	\$ 23,723	\$ 38,609
Earnings per share:						
Basic earnings per common share attributable to common shareholders	\$ 1.01	\$ 1.65	\$ 1.31			
Earnings per common share assuming dilution attributable to common shareholders	\$ 0.98	\$ 1.63	\$ 1.29			
Earnings per common share:						
Basic				\$ 2.39	\$ 1.01	\$ 1.65
Diluted				\$ 2.36	\$ 0.98	\$ 1.63
Cash dividends declared and paid per share	\$ 1.18	\$ 1.16	\$ 1.14	\$ 1.18	\$ 1.18	\$ 1.16

See accompanying Notes to Consolidated Financial Statements

F-6 F-7

	Years ended December 31,			Years ended December 31,		
	2023	2022	2021	2024	2023	2022
Net income	\$ 23,723	\$ 38,609	\$ 30,691	\$ 56,151	\$ 23,723	\$ 38,609
Other comprehensive income:						
Adjustment for pension and postretirement benefit liability, net of tax of (\$1) in 2023, (\$176) in 2022 and (\$120) in 2021	3	541	329			
Adjustment for interest rate swap, net of tax of \$910 in 2023, (\$3,140) in 2022 and (\$1,370) in 2021	(2,775)	9,640	4,113			
Adjustment for pension and postretirement benefit liability, net of tax of (\$211) in 2024, (\$1) in 2023 and (\$176) in 2022				651	3	541
Adjustment for interest rate swap, net of tax of \$485 in 2024, \$910 in 2023 and (\$3,140) in 2022				(1,495)	(2,775)	9,640
Adjustment for steel hedging instrument, net of tax of \$14 in 2024, \$0 in 2023 and \$0 in 2022				(40)	-	-

Total other comprehensive income, net of tax	(2,772)	10,181	4,442	(884)	(2,772)	10,181
Comprehensive income	\$ 20,951	\$ 48,790	\$ 35,133	\$ 55,267	\$ 20,951	\$ 48,790

See accompanying Notes to Consolidated Financial Statements

**DOUGLAS DYNAMICS, INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Dollars In Thousands)

	Accumulated						Accumulated					
	Common Stock		Additional		Other		Common Stock		Additional		Other	
	Shares	Dollars	Capital	Earnings	Comprehensive	Total	Shares	Dollars	Capital	Earnings	Comprehensive	Total
Balance at												
December 31, 2020	22,857,457	\$ 229	\$ 157,758	\$ 47,712	\$ (5,495)	\$ 200,204						
Net income	—	—	—	30,691	—	30,691						
Dividends paid	—	—	—	(26,522)	—	(26,522)						
Adjustment for pension and postretirement benefit liability, net of tax of (\$120)	—	—	—	—	329	329						
Adjustment for interest rate swap, net of tax of (\$1,370)	—	—	—	—	4,113	4,113						
Stock based compensation	123,494	1	5,794	—	—	5,795						
Balance at												
December 31, 2021	22,980,951	\$ 230	\$ 163,552	\$ 51,881	\$ (1,053)	\$ 214,610	22,980,951	\$ 230	\$ 163,552	\$ 51,881	\$ (1,053)	\$ 214,610
Net income	—	—	—	38,609	—	38,609	—	—	—	38,609	—	38,609
Dividends paid	—	—	—	(27,026)	—	(27,026)	—	—	—	(27,026)	—	(27,026)
Adjustment for pension and postretirement benefit liability, net of tax of (\$176)	—	—	—	—	541	541	—	—	—	—	541	541

Adjustment for interest rate swap, net of tax of (\$3,140)	—	—	—	—	9,640	9,640	—	—	—	—	9,640	9,640
Repurchase of common stock	(171,088)	(2)	(5,999)	—	—	(6,001)	(171,088)	(2)	(5,999)	—	—	(6,001)
Stock based compensation	76,930	1	6,728	—	—	6,729	76,930	1	6,728	—	—	6,729
Balance at December 31, 2022	22,886,793	\$ 229	\$ 164,281	\$ 63,464	\$ 9,128	\$ 237,102	22,886,793	\$ 229	\$ 164,281	\$ 63,464	\$ 9,128	\$ 237,102
Net income	—	—	—	23,723	—	23,723	—	—	—	23,723	—	23,723
Dividends paid	—	—	—	(27,441)	—	(27,441)	—	—	—	(27,441)	—	(27,441)
Adjustment for pension and postretirement benefit liability, net of tax of (\$1)	—	—	—	—	3	3	—	—	—	—	3	3
Adjustment for interest rate swap, net of tax of \$910	—	—	—	—	(2,775)	(2,775)	—	—	—	—	(2,775)	(2,775)
Stock based compensation	97,172	1	952	—	—	953	97,172	1	952	—	—	953
Balance at December 31, 2023	22,983,965	\$ 230	\$ 165,233	\$ 59,746	\$ 6,356	\$ 231,565	22,983,965	\$ 230	\$ 165,233	\$ 59,746	\$ 6,356	\$ 231,565
Net income	—	—	—	—	—	—	—	—	—	56,151	—	56,151
Dividends paid	—	—	—	—	—	—	—	—	—	(27,477)	—	(27,477)
Adjustment for pension and postretirement benefit liability, net of tax of (\$211)	—	—	—	—	—	—	—	—	—	651	651	651
Adjustment for interest rate swap, net of tax of \$485	—	—	—	—	—	—	—	—	—	(1,495)	(1,495)	(1,495)
Adjustment for steel hedging instrument, net of tax of \$14	—	—	—	—	—	—	—	—	—	(40)	(40)	(40)
Stock based compensation	110,082	1	4,859	—	—	—	—	—	—	—	—	4,860

Balance at							
December 31,							
2024							

See accompanying Notes to Consolidated Financial Statements

**DOUGLAS DYNAMICS, INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In Thousands)

	Years ended December 31,			Years ended December 31,		
	2023	2022	2021	2024	2023	2022
Operating activities						
Net income	\$ 23,723	\$ 38,609	\$ 30,691	\$ 56,151	\$ 23,723	\$ 38,609
Adjustments to reconcile net income to net cash provided by operating activities:						
Depreciation and amortization	21,662	20,938	20,316	17,890	21,662	20,938
Amortization of deferred financing costs and debt discount	588	491	894	703	588	491
Loss on extinguishment of debt	-	-	4,936			
Loss (gain) on disposal of fixed assets	(56)	111	(220)	347	(56)	111
Stock-based compensation	953	6,730	5,794			
Gain on sale leaseback transaction				(42,298)	-	-
Stock based compensation				4,860	953	6,730
Adjustments on derivatives not designated as hedges	(688)	(688)	(1,192)	(287)	(688)	(688)
Provision (credit) for losses on accounts receivable	320	(1,476)	67	702	320	(1,476)
Deferred income taxes	7,561	(3,268)	1,618	(3,042)	7,561	(3,268)
Impairment charges	-	-	1,211	1,224	-	-
Non-cash lease expense	5,097	1,030	1,768	6,319	5,097	1,030
Changes in operating assets and liabilities, net of acquisitions:						
Accounts receivable	2,684	(14,253)	12,093	(4,348)	2,684	(14,253)
Inventories	(3,888)	(32,483)	(24,276)	3,356	(3,888)	(32,483)
Prepaid assets, refundable income taxes and other assets	(14,010)	3,422	(1,714)	2,185	(14,010)	3,422
Accounts payable	(17,123)	21,522	10,418	991	(17,123)	21,522
Accrued expenses and other current liabilities	(8,154)	1,321	42	2,052	(8,154)	1,321
Benefit obligations and other long-term liabilities	(6,200)	(1,976)	(1,911)			
Benefit obligations, long-term liabilities and other				(5,674)	(6,200)	(1,976)
Net cash provided by operating activities	12,469	40,030	60,535	41,131	12,469	40,030
Investing activities						
Capital expenditures	(10,521)	(12,047)	(11,208)	(7,810)	(10,521)	(12,047)
Net cash used in investing activities	(10,521)	(12,047)	(11,208)			
Proceeds from sale leaseback transaction				64,150	-	-
Proceeds from insurance recoveries				452	-	-
Net cash provided by (used in) investing activities				56,792	(10,521)	(12,047)
Financing activities						
Repurchase of common stock	-	(6,001)	-	-	-	(6,001)
Proceeds from life insurance policy loans	750	-	-			
Proceeds from (payments on) life insurance policy loans				(204)	750	-
Payments of financing costs	(334)	-	(1,371)	(279)	(334)	-

Borrowings on long-term debt	-	-	224,438			
Dividends paid	(27,441)	(27,026)	(26,522)	(27,477)	(27,441)	(27,026)
Net revolver borrowings	47,000	-	-	(47,000)	47,000	-
Repayment of long-term debt	(18,437)	(11,250)	(249,938)	(42,000)	(18,437)	(11,250)
Net cash provided by (used in) financing activities	1,538	(44,277)	(53,393)	(116,960)	1,538	(44,277)
Change in cash and cash equivalents	3,486	(16,294)	(4,066)	(19,037)	3,486	(16,294)
Cash and cash equivalents at beginning of year	20,670	36,964	41,030	24,156	20,670	36,964
Cash and cash equivalents at end of year	\$ 24,156	\$ 20,670	\$ 36,964	\$ 5,119	\$ 24,156	\$ 20,670
Non-cash operating and financing activities						
Truck chassis inventory acquired through floorplan obligations	\$ 7,875	\$ 4,725	\$ 34,432	\$ 5,637	\$ 7,875	\$ 4,725
Truck chassis inventory acquired through floor plan obligations						
Supplemental disclosure of cash flow information						
Income taxes paid	\$ 14,512	\$ 7,025	\$ 9,768	\$ 13,600	\$ 14,512	\$ 7,025
Interest paid	\$ 18,184	\$ 11,662	\$ 12,307	\$ 18,942	\$ 18,184	\$ 11,662

See accompanying Notes to Consolidated Financial Statements

### Douglas Dynamics, Inc.

#### Notes to Consolidated Financial Statements

Years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021 2022

(Dollars in Thousands Except Per Share Data)

## 1. Description of business and basis of presentation

Douglas Dynamics, Inc. (the "Company") is a premier manufacturer and upfitter of commercial vehicle attachments and equipment. The Company's portfolio includes snow and ice management attachments sold under the FISHER®, HENDERSON®, SNOWEX® and WESTERN® brands, turf care equipment under the TURFEX® brand, and industrial maintenance equipment under the SWEEPEX® brand. The Company's portfolio also includes the upfit of market leading attachments and storage solutions under the HENDERSON® brand, and the DEJANA® brand and its related sub-brands. The Company is headquartered in Milwaukee, WI and currently owns manufacturing and upfit facilities one facility in Milwaukee, WI, Manchester IA, Rockland, ME, Madison Heights, MI and Huntley, IL. The Company also leases fifteen-twenty-two manufacturing and upfit and service facilities located in Iowa, Maine, Maryland, Michigan, Missouri, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, and Wisconsin. Additionally, the Company operates a sourcing office in China.

The Company conducts business in two segments: Work Truck Attachments and Work Truck Solutions. Financial information regarding these segments is in Note 16 to the Consolidated Financial Statements.

Recently adopted accounting standards

There were in November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, accounting standards adopted in the year ended "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures," which requires that entities disclose significant segment expenses and enhances disclosure around segment reporting. The standard is effective for annual periods beginning after December 31, 2023 15, 2023. The Company adopted this standard in fiscal 2024 - see Note 16 to the Consolidated Financial Statements.

## 2. Summary of Significant Accounting Policies

Principles of consolidation

The accompanying consolidated financial statements include the accounts of Douglas Dynamics, Inc. and its direct wholly-owned subsidiary, Douglas Dynamics, L.L.C., and its wholly-owned subsidiaries, Douglas Dynamics Finance Company (an inactive subsidiary), Fisher, LLC, Henderson Enterprises Group, Inc., Henderson

Products, Inc. and Dejana Truck & Utility Equipment Company, LLC (hereinafter collectively referred to as the "Company"). All intercompany balances and transactions have been eliminated in consolidation.

#### Use of estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Accordingly, actual results could differ from those estimates.

#### Cash and cash equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents are carried at cost, which approximates fair value.

F- 10 11

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**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023, 2024, 2022 2023 and 2021 2022**  
**(Dollars in Thousands Except Per Share Data)**

#### Accounts receivable and allowance for credit losses

The Company carries its accounts receivable at their face amount less an allowance for credit losses. The majority of the Company's accounts receivable are due from distributors of truck equipment and dealers of completed upfit trucks. Credit is extended based on an evaluation of a customer's financial condition. A receivable is considered past due if payments have not been received within agreed upon invoice terms. Accounts receivable are written off after all collection efforts have been exhausted. The Company takes a security interest in the inventory as collateral for the receivable but often does not have a priority security interest. The Company has short-term accounts receivable at its Work Truck Attachments and Work Truck Solutions segments subject to evaluation for expected credit losses. Expected credit losses are estimated based on the loss-rate and probability of default methods. On a periodic basis, the Company evaluates its accounts receivable and establishes the allowance for credit losses based on specific customer circumstances, past events including collections and write-off history, current conditions, and reasonable forecasts about the future. Management evaluated As of December 31, 2024, the need for Company had an additional allowance for credit losses related to macroeconomic conditions. Management has not seen indications on its trade accounts receivable of customers going out of business \$1,768 and not being able to pay their bills (although the receivables may become more aged). Management believes customers of the \$604 at its Work Truck Attachments segment have long-standing relationships with the Company, and are mature dealers that are likely able to weather current macroeconomic challenges. Many Work Truck Solutions customers are governments and municipal entities who management believes are highly unlikely to default. In addition management believes Work Truck Solutions has long-standing relationships with its customers, and the customers are in general mature dealers that are unlikely to default as a result of current macroeconomic conditions. Therefore, as of December 31, 2023 and 2022, no additional reserve related to current macroeconomic conditions was deemed necessary. As of December 31, 2023, the Company had an allowance for credit losses on its trade accounts receivable of \$1,400 and \$246 at its Work Truck Attachments and Work Truck Solutions segments, respectively. As of December 31, 2022, the Company had an allowance for credit losses on its trade accounts receivable of \$1,000 and \$366 at its Work Truck Attachments and Work Truck Solutions segments, respectively.

F- 11 12

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**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023, 2024, 2022 2023 and 2021 2022**  
**(Dollars in Thousands Except Per Share Data)**

The following table rolls forward the activity related to credit losses for trade accounts receivable at each segment, and on a consolidated basis for the years ended December 31, 2023 2024 and 2022 2023:

Balance at	Additions (reductions)	Balance at	Balance at	Additions (reductions)	Balance at
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	December 31, 2022		charged to earnings		Changes to reserve, net	December 31, 2023	December 31, 2023		charged to earnings		Changes to reserve, net	December 31, 2024								
<b>Year Ended December 31, 2023</b>																				
<b>Year Ended December 31, 2024</b>																				
Work Truck Attachments	\$ 1,000	\$ 400	\$ -	\$ 1,400	\$ 1,400	\$ 404	\$ (41)	\$ 5	\$ 1,768											
Work Truck Solutions	366	(80)	(46)	6	246	246	298	-	60	604										
<b>Total</b>	<b>\$ 1,366</b>	<b>\$ 320</b>	<b>\$ (46)</b>	<b>\$ 6</b>	<b>\$ 1,646</b>	<b>\$ 1,646</b>	<b>\$ 702</b>	<b>\$ (41)</b>	<b>\$ 65</b>	<b>\$ 2,372</b>										
	Balance at December 31, 2021		Additions (reductions) charged to earnings		Changes to reserve, net	Balance at December 31, 2022	Balance at December 31, 2022		Additions (reductions) charged to earnings		Changes to reserve, net	Balance at December 31, 2023								
<b>Year Ended December 31, 2022</b>																				
<b>Year Ended December 31, 2023</b>																				
Work Truck Attachments	\$ 1,430	\$ (432)	\$ -	\$ 1,000	\$ 1,000	\$ 400	\$ -	\$ -	\$ 1,400											
Work Truck Solutions	1,540	(1,044)	(109)	(21)	366	366	(80)	(46)	6	246										
<b>Total</b>	<b>\$ 2,970</b>	<b>\$ (1,476)</b>	<b>\$ (109)</b>	<b>\$ (19)</b>	<b>\$ 1,366</b>	<b>\$ 1,366</b>	<b>\$ 320</b>	<b>\$ (46)</b>	<b>\$ 6</b>	<b>\$ 1,646</b>										

#### Financing program

The Company is party to a financing program in which certain distributors may elect to finance their purchases from the Company through a third party financing company. The Company provides the third party financing company recourse against the Company regarding the collectability of the receivable under the program due to the fact that if the third party financing company is unable to collect from the distributor the amounts due in respect of the product financed, the Company would be obligated to repurchase any remaining inventory related to the product financed, which is considered a right of return, and reimburse any legal fees incurred by the financing company. During the years ended December 31, 2023, 2024, 2022 2023 and 2021 2022, distributors financed purchases of \$6,303, \$9,022 \$15,782 and \$10,524 \$15,782 through this financing program, respectively. At both December 31, 2023 2024 and December 31, 2022 2023, there were no uncollectible outstanding receivables related to sales financed under the financing program. The amount owed by distributors to the third party financing company under this program at December 31, 2023 2024 and 2022 2023 was \$13,748 \$8,910 and \$16,089, \$13,748, respectively. The Company was not required to repurchase any repossessed inventory for the years ended December 31, 2023, 2024, 2022 2023 and 2021 2022.

In the past, minimal losses have been incurred under this agreement. However, an adverse change in distributor retail sales could cause this situation to change and thereby require the Company to repurchase repossessed units. Any repossessed units are inspected to ensure they are current, unused product and are restocked and resold.

#### Interest Rate Swap

The Company is a counterparty to interest rate swap agreements to hedge against the potential impact on earnings from increases in market interest rates. On June 13, 2019, the Company entered into an interest rate swap agreement to reduce its exposure to interest rate volatility. The interest rate swap has a notional amount of \$175,000 effective for the period May 31, 2019 through May 31, 2024. The Company may have counterparty credit risk resulting from the interest rate swap, which it monitors on an on-going basis. The risk lies with one global financial institution. Under the interest rate swap agreement, the Company will either receive or make payments on a monthly basis based on the differential between 2.424% and SOFR. From June 13, 2019 through March 18, 2020, the interest rate swap was accounted for as a cash flow hedge. During the first quarter of 2020, the swap was determined to be ineffective. As a result, the swap was redesignated on March 19, 2020, and the remaining losses included in Accumulated other comprehensive income on the Consolidated Balance Sheets would be amortized into interest expense on a straight line basis through the life of the swap. The amount amortized from Accumulated other comprehensive income into earnings during the years ended December 31, 2023 2024 and 2022 2023

was **(\$1,163)** **485** and **(\$1,163)**, respectively. A mark-to-market adjustment of **\$476** **\$198** and **\$476** was recorded as Interest expense in the Consolidated Statements of Income for the years ended December 31, **2023** **2024** and **2022** **2023**, respectively, related to the swap.

F- **12** **13**

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**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023, 2024, 2022, 2023 and 2021, 2022**  
**(Dollars in Thousands Except Per Share Data)**

On June 9, 2021, in conjunction with entering into the Credit Agreement described below, the Company re-designated its swap. As a result, the swap will be recorded at fair value with changes recorded in Accumulated other comprehensive income. The amortization from Accumulated other comprehensive income into earnings from the previous dedesignation has been adjusted as of June 9, 2021 to include the de-recognition of previously recognized mark-to-market gains and the amortization of the off-market component as of the re-designation date, and will continue to be recognized through the life of the swap. **The As of December 31, 2024, the amount expected to be amortized from** in Accumulated other comprehensive income **has been fully amortized into** earnings in the next twelve months is **\$286**. **earnings.**

On May 19, 2022, the Company entered into an interest rate swap agreement to further reduce its exposure to interest rate volatility. The interest rate swap has a notional amount of \$125,000 effective for the period May 31, 2024 through June 9, 2026. The Company may have counterparty credit risk resulting from the interest rate swap, which it monitors on an on-going basis. The risk lies with two global financial institutions. Under the interest rate swap agreement, the Company will either receive or make payments on a monthly basis based on the differential between 2.718% and SOFR. The interest rate swap is accounted for as a cash flow hedge.

The fair value of the interest rate swaps, net of tax, is **\$2,984** **\$1,732** and **\$5,208** **\$2,984** at December 31, **2023** **2024** and December 31, **2022** **2023**, respectively, of which **\$3,331** **\$1,836** and **\$6,115** **\$3,331** is included in Accumulated other comprehensive income on the balance sheet as of December 31, **2023** **2024** and **2022** **2023**, respectively. This fair value was determined using Level 2 inputs as defined in Accounting Standards Codification Topic ("ASC") 820 - *Fair Value Measurements and Disclosures*.

**Steel Hedging Instrument**

On December 17, 2024, the Company entered into a steel hedging agreement to reduce its exposure to commodity price volatility. The steel hedging instrument has a notional quantity of 3,000 short tons and is effective for the period August 1, 2025 through December 31, 2025, which the Company expects to be slightly less than half of its exposure during the effective period. Under the steel hedge agreement, the Company will make fixed payments of \$819 per short ton for the Steel Hot Rolled Coil (HRC) commodity. The steel hedging instrument is accounted for as a cash flow hedge.

The fair value of the steel hedging instrument, net of tax, is \$40 at December 31, 2024, of which \$40 is included in Accumulated other comprehensive income on the balance sheet as of December 31, 2024. This fair value was determined using Level 2 inputs as defined in ASC 820 - *Fair Value Measurements and Disclosures*.

**Inventories**

Inventories are stated at the lower of cost or market. Market is determined based on estimated realizable values. Inventory costs are primarily determined by the first-in, first-out (FIFO) method. The Company periodically reviews its inventory for slow moving, damaged and discontinued items and provides reserves to reduce such items identified to their recoverable amounts.

The Company records inventories to include truck chassis inventory financed through a floor plan financing agreement as discussed in Note 8. The Company takes title to truck chassis upon receipt of the inventory through its floor plan agreement and performs upfitting service installations to the truck chassis inventory during the installation period. The floor plan obligation is then assumed by the dealer customer upon delivery. At December 31, **2023** **2024** and **2022** **2023**, the Company had **\$2,217** **\$2,612** and **\$1,211** **\$2,217** of chassis inventory and related floor plan financing obligation, respectively. The Company recognizes revenue associated with upfitting and service installations net of the truck chassis.

The Company receives, on consignment, truck chassis on which it performs upfitting service installations under "bailment pool" arrangements with major truck manufacturers. The Company never receives title to the truck chassis. The aggregate value of all bailment pool chassis on hand as of December 31, **2023** **2024** and **2022** **2023** was **\$20,293** **\$17,489** and **\$7,847**, **\$20,293**, respectively. The Company is responsible to the manufacturer for interest on chassis held for upfitting. The Company recognizes revenue associated with upfitting and service installations net of the truck chassis.

**Leases**

As of December 31, **2023** **2024**, **seventeen** **twenty-two** of the Company's **office** **offices, manufacturing facilities** and upfit and distribution centers were subject to a lease agreement. See Note 6 for additional information on the Company's leases.

In During the year ended December 31, 2021, 2024, the Company closed on a sale leaseback transaction with an unrelated third party. Under this transaction, the Company sold seven properties with a combined net book value of \$21,852 for gross proceeds of \$64,150, which was determined that facility leases related to reduced by transaction costs of \$5,494 for net cash proceeds of approximately \$58,656. The properties in the sale leaseback transaction are comprised of three facilities located in Milwaukee, Wisconsin and four additional facilities located in each of Huntley, Illinois; Manchester, Iowa; Rockland, Maine; and Madison Heights, Michigan, totaling approximately 780,000 square feet of manufacturing and upfitting space. The lease agreement has an initial term of 15 years, with two locations in our Work Truck Solutions segment were impaired. As a result, an impairment of \$1,211 was recorded in the year ended December 31, 2021 and is recorded under Impairment charges in the Company's Consolidated Statements of Income, with an offset being a reduction to the Operating lease - right of use asset on our Consolidated Balance Sheets optional 10-year renewal options. See Note 6 for additional information on the sale leaseback transaction.

F- 13 14

**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023, 2024, 2022, 2023 and 2021, 2022**  
(Dollars in Thousands Except Per Share Data)

**Property, plant and equipment**

Property, plant and equipment are recorded at cost, less accumulated depreciation. Depreciation is computed using straight-line methods over the estimated useful lives for financial statement purposes and an accelerated method for income tax reporting purposes. The estimated useful lives of the assets are as follows:

	Years
Land improvements and buildings	15 - 40
Leasehold improvements	12
Machinery and equipment	3 - 20
Furniture and fixtures	3 - 12
Mobile equipment and other	3 - 10

During the year ended December 31, 2024, the Company closed on a sale leaseback transaction with an unrelated third party. Under this transaction, the Company sold seven properties with a combined net book value of \$21,852, see Note 6 for additional information.

Depreciation expense was \$10,370, \$11,142, \$10,418, and \$9,634 for the years ended December 31, 2023, 2024, 2022, 2023 and 2021, 2022, respectively. The estimated useful lives of leasehold improvements is the shorter of the remainder of the lease term and twelve years.

Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to operations when incurred. Repairs and maintenance expenses amounted to \$7,060, \$6,925, \$6,750 and \$5,974 for the years ended December 31, 2023, 2024, 2022, 2023 and 2021, 2022, respectively. When assets are sold or retired, the cost of the asset and the related accumulated depreciation are eliminated from the accounts and any gain or loss is recognized in results of operations.

**Impairment of long-lived assets**

Long-lived assets are reviewed for potential impairment when events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Recoverability of assets to be held and used is measured by comparison of the carrying value of such assets to the undiscounted future cash flows expected to be generated by the assets. If the carrying value of an asset exceeds its estimated undiscounted future cash flows, an impairment provision is recognized to the extent that the carrying amount of the asset exceeds its fair value. Assets to be disposed of are reported at the lower of the carrying amount or the fair value of the asset, less costs of disposition. Management of the Company considers such factors as current results, trends and future prospects, current market value, and other economic and regulatory factors in performing these analyses. The Company determined that no long-lived assets were impaired as of December 31, 2023.

In During the year ended December 31, 2021, 2024 it was determined that facility leases, and in conjunction with the Company's 2024 Cost Savings Program, impairment charges of \$1,224 were recorded in the Consolidated Statements of Income related to two locations in certain internally developed software at the Company's Work Truck Solutions Attachments segment were impaired. As a result, an impairment representing the full capitalized value of \$1,211 was recorded in the year ended December 31, 2021 and is recorded under Impairment charges in the Company's Consolidated Statements of Income, with an offset being a reduction to the Operating lease - right of use asset on the Company's Consolidated Balance Sheets. software. See Note 6 for additional information.

**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023, 2024, 2022 2023 and 2021 2022**  
(Dollars in Thousands Except Per Share Data)

Goodwill and other intangible assets

Goodwill and ~~indefinite~~ indefinite lived intangible assets are tested for impairment annually as of December 31, or sooner if impairment indicators arise. The fair value of ~~indefinite-lived~~ indefinite lived intangible assets is estimated based upon an income and market approach. In reviewing goodwill for impairment, potential impairment is identified by comparing the estimated fair value of the reporting units to its carrying value. The Company has determined it has ~~four~~ three reporting units. When the fair value is less than the carrying value of the net assets of the reporting unit, including goodwill, an impairment loss would be recognized.

The Work Truck Attachments segment consists of ~~two~~ one reporting ~~units~~ unit: Commercial Snow & ~~Ice~~ and Douglas Dynamics Vertical Integration. Only the Commercial Snow & ~~Ice~~ reporting unit has ~~goodwill~~ Ice. The annual impairment tests performed as of December 31, 2023 2024 and December 31, 2022 2023 indicated no impairment for the Commercial Snow & ~~Ice~~ reporting unit, which had ~~goodwill of \$113,132~~ \$113,134 at both December 31, 2023 2024 and 2022 2023. The Work Truck Solutions consists of two reporting ~~units~~ units: Municipal and Dejana. Each of the Municipal and Dejana reporting units had \$0 in goodwill at December 31, 2022 2023 and December 31, 2023 2024.

Intangible assets with estimable useful lives are amortized over their respective estimated useful lives and are reviewed for potential impairment when events or circumstances indicate that the carrying amount of the asset may not be recoverable. The Company amortizes its distribution network intangibles over periods ranging from 15 to 20 years, trademarks over 7 to 25 years, patents over 7 to 20 years, customer relationships over 15 to 19.5 years and noncompete agreements over 4 to 5 years. There were no indicators of impairment during the years ended December 31, 2023 2024 or 2022 2023. The Company had gross intangible assets and accumulated amortization of \$273,755 and \$160,205, respectively, for the year ended December 31, 2024, of which \$177,765 and \$111,945 relate to the Work Truck Attachments segment, and \$95,990 and \$48,260 relate to the Work Truck Solutions segment, respectively. The Company had gross intangible assets and accumulated amortization of \$273,755 and \$152,685, respectively for the year ended December 31, 2023, of which \$177,765 and \$109,551 relate to the Work Truck Attachments segment, and \$95,990 and \$43,134 relate to the Work Truck Solutions segment, respectively. The Company had gross intangible assets and accumulated amortization of \$273,755 and \$142,166, respectively for the year ended December 31, 2022, of which \$177,765 and \$104,196 relate to the Work Truck Attachments segment, and \$95,990 and \$37,970 relate to the Work Truck Solutions segment, respectively.

At December 31, 2023 2024, the Company's Dejana reporting unit had tradenames of \$14,000 and an estimated fair value of \$19,700. \$17,600. If the Company is unable to attain the financial projections used in calculating the fair value, or if there are significant market conditions impacting the market approach, the Company's Dejana tradenames could be at risk of impairment. If the Company experiences further delays by its supplier and OEM partners in the production and delivery of chassis for a prolonged period of time, which could negatively affect the Company's financial results, the Dejana tradenames may be impaired. The discount rate and royalty rate used in the calculation of the fair value are sensitive and based on the Company's assumptions, and changes to those assumptions could cause the Dejana tradenames to be at risk of impairment. There were no indicators of impairment subsequent to the December 31, 2023 2024 impairment test.

**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023, 2024, 2022 2023 and 2021 2022**  
(Dollars in Thousands Except Per Share Data)

Income taxes

Deferred income taxes are accounted for under the asset and liability method whereby 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. Deferred tax assets and liabilities are measured using enacted tax rates. Deferred income tax provisions or benefits are based on the change in the deferred tax assets and liabilities from

period to period. Deferred income tax assets are reduced by a valuation allowance if it is more likely than not that some portion of the deferred income tax asset will not be realized. Additionally, when applicable, the Company would classify interest and penalties related to uncertain tax positions in income tax expense.

#### Deferred financing costs

The costs of obtaining financing are capitalized and amortized over the term of the related financing on a basis that approximates the effective interest method. The changes in deferred financing costs are as follows:

Balance at December 31, 2020	\$ 1,736	
Deferred financing costs capitalized on new debt	1,409	
Write-off of unamortized deferred financing costs	(972)	
Amortization of deferred financing costs	(493)	
<b>Balance at December 31, 2021</b>	<b>1,680</b>	<b>\$ 1,680</b>
Amortization of deferred financing costs	(379)	(379)
<b>Balance at December 31, 2022</b>	<b>1,301</b>	<b>1,301</b>
Deferred financing costs capitalized on new debt	334	334
Amortization of deferred financing costs	(475)	(475)
<b>Balance at December 31, 2023</b>	<b>\$ 1,160</b>	<b>1,160</b>
Deferred financing costs capitalized on new debt	278	
Amortization of deferred financing costs	(591)	
<b>Balance at December 31, 2024</b>	<b>\$ 847</b>	

#### Fair value

Fair value is the price at which an asset could be exchanged in a current transaction between knowledgeable, willing parties. A liability's fair value is defined as the amount that would be paid to transfer the liability to a new obligor, not the amount that would be paid to settle the liability with the creditor. Fair value measurements are categorized into one of three levels based on the lowest level of significant input used: Level 1 (unadjusted quoted prices in active markets); Level 2 (observable market inputs available at the measurement date, other than quoted prices included in Level 1); and Level 3 (unobservable inputs that cannot be corroborated by observable market data).

F- 16 17

**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023, 2024, 2022, 2023 and 2021, 2022**  
(Dollars in Thousands Except Per Share Data)

The following table presents financial assets and liabilities measured at fair value on a recurring basis and discloses the fair value of long-term debt:

	<b>Fair Value at December 31, 2023</b>	<b>Fair Value at December 31, 2022</b>	<b>Fair Value at December 31, 2024</b>	<b>Fair Value at December 31, 2023</b>
<b>Assets:</b>				
Non-qualified benefit plan assets (a)	\$ 9,195	\$ 8,874	\$ 10,482	\$ 9,195
Interest rate swaps (b)	4,033	7,039	2,340	4,033
<b>Total Assets</b>	<b>\$ 13,228</b>	<b>\$ 15,913</b>	<b>\$ 12,822</b>	<b>\$ 13,228</b>
<b>Liabilities:</b>				
Long term debt (c)		189,413	207,737	
Long-term debt (c)				147,526 189,413
Steel hedging instrument (d)				54 -

Total Liabilities	\$ 189,413	\$ 207,737	\$ 147,580	\$ 189,413
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(a) Included in Non-qualified benefit plan assets is the cash surrender value of insurance policies on various individuals that are associated with the Company. The carrying amounts of these insurance policies approximates their fair value. The Company had outstanding loans of \$546 and \$750 against these Non-qualified benefit plan assets as of December 31, 2024 and December 31, 2023, respectively, included in Other long-term liabilities on the Consolidated Balance Sheets.

(b) Valuation models are calibrated to initial trade price. Subsequent valuations are based on observable inputs to the valuation model (e.g., interest rates and credit spreads). Model inputs are changed only when corroborated by market data. A credit risk adjustment is made on each swap using observable market credit spreads. Thus, inputs used to determine fair value of the interest rate swap are Level 2 inputs. Interest rate swaps of \$1,712 and \$628 at December 31, 2024 are included in Prepaid and other current assets and Other long-term assets, respectively. Interest rate swaps of \$3,174 and \$859 at December 31, 2023 are included in Prepaid and other current assets and Other long-term assets, respectively. Interest rate swaps of \$4,120 and \$2,919 at December 31, 2022 are included in Accrued expenses and other current liabilities and Other long-term liabilities, respectively.

(c) The fair value of the Company's long-term debt, including current maturities, is based on rates for instruments with comparable maturities and credit quality (Level 2 inputs), and approximates its carrying value. Long-term debt is recorded at carrying amount, net of discount and deferred financing debt issuance costs, as disclosed on the face of the balance sheet.

(d) Valuation models are calibrated to initial trade price. Subsequent valuations are based on observable inputs to the valuation model (e.g., market prices). Model inputs are changed only when corroborated by market data. Thus, inputs used to determine fair value of the interest rate swap are Level 2 inputs. Steel hedging instruments of \$54 at December 31, 2024 are included in Accrued expenses and other current liabilities.

#### Concentration of credit risk

The Company's cash is deposited with multiple financial institutions. At times, deposits in these institutions exceed the amount of insurance provided on such deposits. The Company has not experienced any losses in such accounts and believes that it is not exposed to any significant risk on these balances.

No distributor represented more than 10% of the Company's net sales or accounts receivable during the years ended December 31, 2023, 2024, 2022, 2023 and 2021, 2022.

F- 17 18

**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023, 2024, 2022, 2023 and 2021, 2022**  
**(Dollars in Thousands Except Per Share Data)**

#### Revenue recognition

The Company applies the guidance codified in Accounting Standards Codification 606, *Revenue from Contracts with Customers* ("Topic 606"). Revenue is recognized when or as the Company satisfies a performance obligation. See Note 3 for a more detailed description of revenue recognition policies.

#### Cost of sales

Cost of sales includes all costs associated with the manufacture of the Company's products, including raw materials, purchased parts, freight, plant operating expenses, property insurance and taxes, and plant depreciation. All payroll costs and employee benefits for the hourly workforce, manufacturing management, and engineering costs are included in cost of sales.

#### Related party transactions

There were no material related party transactions during 2021, 2022, 2022, 2023 or 2023, 2024.

#### Warranty cost recognition

The Company accrues for estimated warranty costs as revenue is recognized. All warranties are assurance-type warranties. See Note 10 for further details.

#### Defined benefit ~~plans~~ plan

The Company has a noncontributory, defined benefit postretirement benefit ~~plans~~ plan covering certain employees. Management reviews underlying assumptions on an annual basis. Refer to Note 12 for additional information.

#### Advertising expenses

Advertising expenses include costs for the production of marketing media, literature, website content and displays. The Company participates in trade shows and advertises in the yellow pages and on billboards. Advertising expenses amounted to \$4,033, \$4,823 \$4,699 and \$3,884 \$4,699 for the years ended December 31, 2023, 2024, 2022 2023 and 2021 2022, respectively. All costs associated with the Company's advertising programs are expensed as incurred.

#### Research and development expenses

Research and development expenses include costs to develop new technologies to enhance existing products and to expand the range of product offerings. Research and development expenses amounted to \$8,397, \$10,081 \$12,159 and \$10,152 \$12,159 for the years ended December 31, 2023, 2024, 2022 2023 and 2021 2022, respectively.

F- 18 19

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**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023, 2024, 2022 2023 and 2021 2022**  
**(Dollars in Thousands Except Per Share Data)**

#### Shipping and handling costs

Generally, shipping and handling costs are paid directly by the customer to the shipping agent. Those shipping and handling costs billed by the Company are recorded as a component of sales with the corresponding costs included in cost of sales.

#### Share-based payments

The Company applies the guidance codified in ASC 718, *Compensation—Stock Compensation*. This standard requires the measurement of the cost of employee services received in exchange for an award of equity instruments based on the fair value of the award at the grant date and recognition of the compensation expense over the period during which an employee is required to provide service in exchange for the award (generally the vesting period).

#### Accumulated other comprehensive income

Accumulated other comprehensive income is defined as the change in equity (net assets) of a business enterprise during a period from transactions and other events and circumstances from non-owner resources and is comprised of net income and "other comprehensive income". The Company's other comprehensive income is comprised of the adjustments for postretirement benefit liabilities as well as the impact of its interest rate swaps, swaps and other hedging instruments. See Note 19 for the components of accumulated other comprehensive income.

#### Segment reporting

The Company operates through two operating segments for which separate financial information is available, and for which operating results are evaluated regularly by the Company's chief operating decision maker in determining resource allocation and assessing performance. The Company's two current reportable business segments are described below.

**Work Truck Attachments.** The Work Truck Attachments segment includes our the Company's operations that manufacture and sell snow and ice control attachments and other products sold under the FISHER®, WESTERN® and SNOWEX® brands, as well as our the Company's vertically integrated products.

**Work Truck Solutions.** The Work Truck Solutions segment includes manufactured municipal snow and ice control products under the HENDERSON® brand and the up-fit of market leading attachments and storage solutions under the HENDERSON® brand, and the DEJANA® brand and its related sub-brands.

Segment performance is evaluated based on segment net sales and Adjusted EBITDA. See Note 16 for financial information regarding these segments. Sales are primarily within the United States and substantially all assets are located within the United States.

**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021 2022**  
(Dollars in Thousands Except Per Share Data)

### **3. Revenue Recognition**

#### Revenue Streams

The following is a description of principal activities from which the Company generates revenue. Revenues are recognized when control of the promised goods or services are transferred to the customer, in an amount that reflects the consideration that the Company expects to receive be entitled to in exchange for those goods or services. The Company generates all of its revenue from contracts with customers. Additionally, contract amounts represent the full amount of the transaction price as agreed upon with the customer at the time of order, resulting in a single performance obligation in all most cases. In the case of a single order containing multiple upfits, the transaction price may represent multiple performance obligations.

#### Work Truck Attachments

The Company recognizes revenue upon shipment of equipment to the customer. Within the Work Truck Attachments segment, the Company offers a variety of discounts and sales incentives to its distributors. which are accounted for as variable consideration. The estimated liability for sales discounts and allowances is calculated using the expected value method and recorded at the time of sale as a reduction of net sales. The liability is estimated based on the costs of the program, the planned duration of the program, expected market conditions and historical experience.

The Work Truck Attachments segment has two revenue streams, as identified below.

*Independent Dealer Sales* – Revenues from sales to independent dealers are recognized when the dealer customer obtains control of the Company's product, which occurs at a point in time, typically upon shipment. In these instances, each product is considered a separate performance obligation, and revenue is recognized upon shipment of the goods. Any shipping and handling activities performed by the Company after the transfer of control to the customer (e.g., when control transfers upon shipment) are considered fulfillment activities, and accordingly, the costs are accrued for when the related revenue is recognized.

*Parts & Accessory Sales* – The Company's equipment is used in harsh conditions and parts frequently wear out. These parts drive recurring revenues through parts and accessory sales. The process for recording parts and accessory sales is consistent with the independent dealer sales noted above.

#### Work Truck Solutions

The Work Truck Solutions segment primarily participates in the truck and vehicle upfitting industry in the United States. Customers are billed separately for the truck chassis by the chassis manufacturer. The Company only records sales for the amount of the upfit, excluding the truck chassis. Generally, the Company obtains the truck chassis from the truck chassis manufacturer through either its floor plan agreement with a financial institution or bailment pool agreement with the truck chassis manufacturer. Additionally, in some instances we upfit the Company upfits chassis which are owned by the end customer. For truck chassis acquired through the floor plan agreement, the Company holds title to the vehicle from the time the chassis is received by the Company until the completion of the up-fit. Under the bailment pool agreement, the Company does not take title to the truck chassis, but rather only holds the truck chassis on consignment. The Company pays interest on both of these arrangements. The Company records revenue in the same manner net of the value of the truck chassis in both the Company's floor plan and bailment pool agreements. The Company does not set the price for the truck chassis, is not responsible for the billing of the chassis and does not have inventory risk in either the bailment pool or floor plan agreements. The Work Truck Solutions segment also has manufacturing operations of municipal snow and ice control equipment, where revenue is recognized upon shipment of equipment to the customer.

Revenues from the sales of the Work Truck Solutions products are recognized net of the truck chassis with the selling price to the customer recorded as sales and the manufacturing and up-fit cost of the product recorded as cost of sales. In these cases, the Company acts as an agent as it does not have inventory or pricing control over the truck chassis. Within the Work Truck Solutions segment, the Company also sells certain third-party products for which it acts as an agent. These sales do not meet the criteria for gross sales recognition, and thus are recognized on a net basis at the time of sale. Under net sales recognition, the cost paid to the third-party service provider is recorded as a reduction to sales, resulting in net sales being equal to the gross profit on the transaction.

F- 2021

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**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023, 2024, 2022 2023 and 2021 2022**  
**(Dollars in Thousands Except Per Share Data)**

The Work Truck Solutions segment has four revenue streams, as identified below.

*State and Local Bids* – The Company records revenue of separately sold snow and ice equipment upon shipment and fully upfit vehicles upon delivery. The state and local bid process does not obligate the entity to buy any products from the Company, but merely allows the entity to purchase products in the future typically for a fixed period of time. The entity commits to actually purchasing products from the Company when it issues purchase orders off of a previously awarded bid, which lists out actual quantities of equipment being ordered and the delivery terms. On upfit transactions, the Company is providing a significant service by assembling and integrating the individual products onto the customer's truck. Each individual product and installation activity is highly interdependent and highly interrelated, and therefore the Company considers the manufacture and upfit of a truck a single performance obligation. Any shipping and handling activities performed by the Company after the transfer of control to the **Customer** customer (e.g., when control transfers upon shipment) are considered fulfillment activities, and accordingly, the costs are accrued for when the related revenue is recognized. For non-customer owned vehicles, revenue is recognized at a point in time upon delivery of the truck to the customer. For customer-owned vehicles, per Topic 606, revenue is recognized over time based on a cost input method as the Company's performance enhances an asset the customer controls while the asset is enhanced. The Company accumulates costs incurred on partially completed customer-owned upfits based on estimated margin and completion.

*Fleet Upfit Sales* – The Company enters into contracts with certain fleet customers. Fleet agreements can create enforceable rights without the issuance of a purchase order. Typically, these agreements outline the terms of sale, payment terms, standard pricing, and the rights of the customer and seller. These agreements also obligate the customer to purchase a specified quantity of products. Fleet sales are performed on both customer owned vehicles as well as non-customer owned vehicles. For non-customer owned vehicles, revenue is recognized at a point in time upon delivery of the truck to the customer. For customer-owned vehicles, per Topic 606, revenue is recognized over time based on a cost input method as the Company's performance enhances an asset the customer controls while the asset is enhanced. The Company accumulates costs incurred on partially completed customer-owned upfits based on estimated margin and completion. This over time recognition for customer owned vehicles increased revenue by \$759, decreased revenue by \$136 and increased revenue by \$373 for the years ended December 31, 2023, 2022 and 2021, respectively.

*Dealer Upfit Sales* – The Company upfits work trucks for independent dealer customers. Dealer upfit revenue is recorded upon delivery. The customer does not own the vehicles during the upfit process, and as such revenue is recorded at a point in time upon delivery to the customer.

*Over the Counter / Parts & Accessory Sales* – Work Truck Solutions part and accessory sales are recorded as revenue upon shipment. Additionally, customers can purchase parts at any of the Company's showrooms. In these instances, each product is considered a separate performance obligation, and revenue is recognized upon shipment of the goods or customer pick up.

F- 2122

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**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023, 2024, 2022 2023 and 2021 2022**  
**(Dollars in Thousands Except Per Share Data)**

**Disaggregation of Revenue**

The following table provides information about disaggregated revenue by customer type and timing of revenue recognition, and includes a reconciliation of the disaggregated revenue with reportable segments.

Revenue by customer type was as follows:

Year Ended December 31, 2024	Work Truck Attachments	Work Truck Solutions	Total Revenue
Independent dealer	\$ 256,010	\$ 148,409	\$ 404,419
Government	-	90,494	90,494
Fleet	-	65,892	65,892
Other	-	7,699	7,699
<b>Total revenue</b>	<b>\$ 256,010</b>	<b>\$ 312,494</b>	<b>\$ 568,504</b>

Year Ended December 31, 2023	Work Truck Attachments	Work Truck Solutions	Total Revenue
Independent dealer	\$ 291,723	\$ 137,134	\$ 428,857
Government	-	73,165	73,165
Fleet	-	58,562	58,562
Other	-	7,594	7,594
<b>Total revenue</b>	<b>\$ 291,723</b>	<b>\$ 276,455</b>	<b>\$ 568,178</b>

Year Ended December 31, 2022	Work Truck Attachments	Work Truck Solutions	Total Revenue
Independent dealer	\$ 382,296	\$ 119,900	\$ 502,196
Government	-	56,319	56,319
Fleet	-	49,094	49,094
Other	-	8,459	8,459
<b>Total revenue</b>	<b>\$ 382,296</b>	<b>\$ 233,772</b>	<b>\$ 616,068</b>

Year Ended December 31, 2021	Work Truck Attachments	Work Truck Solutions	Total Revenue
Independent dealer	\$ 325,707	\$ 121,349	\$ 447,056
Government	-	46,107	46,107
Fleet	-	38,669	38,669
Other	-	9,621	9,621
<b>Total revenue</b>	<b>\$ 325,707</b>	<b>\$ 215,746</b>	<b>\$ 541,453</b>

Revenue by timing of revenue recognition was as follows:

Year Ended December 31, 2023	Work Truck Attachments	Work Truck Solutions	Total Revenue	Work Truck Attachments	Work Truck Solutions	Total Revenue
Year Ended December 31, 2024						
Point in time	\$ 291,723	\$ 178,956	\$ 470,679	\$ 256,010	\$ 196,380	\$ 452,390
Over time	-	97,499	97,499	-	116,114	116,114
<b>Total revenue</b>	<b>\$ 291,723</b>	<b>\$ 276,455</b>	<b>\$ 568,178</b>	<b>\$ 256,010</b>	<b>\$ 312,494</b>	<b>\$ 568,504</b>

Year Ended December 31, 2022	Work Truck Attachments	Work Truck Solutions	Total Revenue	Work Truck Attachments	Work Truck Solutions	Total Revenue
Year Ended December 31, 2023						
Point in time	\$ 382,296	\$ 145,022	\$ 527,318	\$ 291,723	\$ 178,956	\$ 470,679
Over time	-	88,750	88,750	-	97,499	97,499

Total revenue	\$ 382,296	\$ 233,772	\$ 616,068	\$ 291,723	\$ 276,455	\$ 568,178
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F- 22 23

**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023, 2024, 2022, 2023 and 2021, 2022**  
(Dollars in Thousands Except Per Share Data)

Year Ended December 31, 2021	Work Truck Attachments	Work Truck Solutions	Total Revenue	Work Truck Attachments	Work Truck Solutions	Total Revenue
Year Ended December 31, 2022						
Point in time	\$ 325,707	\$ 137,904	\$ 463,611	\$ 382,296	\$ 145,022	\$ 527,318
Over time	-	77,842	77,842	-	88,750	88,750
Total revenue	\$ 325,707	\$ 215,746	\$ 541,453	\$ 382,296	\$ 233,772	\$ 616,068

Contract Balances

The following table shows the changes in the Company's contract liabilities during the years ended December 31, 2023, 2024 and 2022:

Year Ended December 31, 2023	Balance at Beginning of Period	Additions	Deductions	Balance at End of Period	Balance at Beginning of Period	Additions	Deductions	Balance at End of Period
Year Ended December 31, 2024								
Contract liabilities	\$ 4,531	\$ 21,856	\$ (22,378)	\$ 4,009	\$ 4,009	\$ 20,205	\$ (19,151)	\$ 5,063
Year Ended December 31, 2022	Balance at Beginning of Period	Additions	Deductions	Balance at End of Period	Balance at Beginning of Period	Additions	Deductions	Balance at End of Period
Year Ended December 31, 2023								
Contract liabilities	\$ 2,454	\$ 20,511	\$ (18,434)	\$ 4,531	\$ 4,531	\$ 21,856	\$ (22,378)	\$ 4,009

The Company receives payments from customers based upon contractual billing schedules. Contract assets include amounts related to the Company's contractual right to consideration for completed performance obligations not yet invoiced. There were no contract assets as of December 31, 2023, 2024 or 2022. Contract liabilities include payments received in advance of performance under the contract, variable freight allowances which are refunded to the customer, and rebates paid to distributors under the Company's municipal rebate program, and are realized with the associated revenue recognized under the contract.

The Company recognized all of the amount that was included in contract liabilities at the beginning of the period as revenue in the years ended December 31, 2023, 2024 and 2022.

Practical Expedients and Exemptions

As allowed under Topic 606, the Company adopted the following practical expedients and exemptions:

- The Company generally expenses sales commissions when incurred because the amortization period would have been less than one year. The Company records these costs within selling, general and administrative expenses.
- The Company does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which the Company recognizes revenue at the amount to which it has the right to invoice for services performed.

- The Company **does not assess whether promised goods or services are performance obligations if they are immaterial in the context of the contract with the customer.**
- The Company excludes from the transaction price all sales taxes that are assessed by a governmental authority.

F- **23** 24

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**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023, 2024, 2022, 2023 and 2021, 2022**  
(Dollars in Thousands Except Per Share Data)

- The Company does not adjust the promised amount of consideration for the effects of a significant financing component, as it expects at contract inception that the period between the transfer to a promised good or service to a customer and the customer's payment for the good or service will be one year or less.
- The Company accounts for shipping and handling activities that occur after control of the related good transfers as fulfillment activities instead of assessing such activities as performance obligations.

#### 4. Inventories

Inventories consist of the following:

	December 31,		December 31,	
	2023	2022	2024	2023
Finished goods	\$ 79,509	\$ 67,006	\$ 67,897	\$ 79,509
Work-in-process	14,384	19,037	13,337	14,384
Truck chassis inventory			10,146	1,929
Raw material and supplies	46,497	50,458	45,654	44,568
	<b>\$ 140,390</b>	<b>\$ 136,501</b>	<b>\$ 137,034</b>	<b>\$ 140,390</b>

The inventories in the table above do not include truck chassis inventory financed through a floor plan financing agreement as discussed in Note 8. The Company takes title to truck chassis upon receipt of the inventory through its floor plan agreement and performs upfitting service installations to the truck chassis inventory during the installation period. The floor plan obligation is then assumed by the dealer customer upon delivery. At December 31, 2023, 2024 and 2022, 2023, the Company had \$2,217, \$2,612 and \$1,211, \$2,217 of chassis inventory and related floor plan financing obligation, respectively. The Company recognizes revenue associated with upfitting and service installations net of the truck chassis.

F- **24** 25

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**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023, 2024, 2022, 2023 and 2021, 2022**  
(Dollars in Thousands Except Per Share Data)

Unlike the **floorplan** **floor plan** agreement, the Company does not record inventory related to truck chassis acquired through the bailment pool agreement as these truck chassis are held on consignment. Like the revenue recognized on **floorplan** **floor plan** arrangement, revenue recognized for upfitting services on chassis acquired through the bailment agreement, are also recognized net of the truck chassis.

#### 5. Property, plant and equipment

During the year ended December 31, 2024, the Company closed on a sale leaseback transaction with an unrelated third party. Under this transaction, the Company sold seven properties with a combined net book value of \$21,852, see Note 6 for additional information. Property, plant and equipment are summarized as follows:

	December 31,		December 31,	
	2023	2022	2024	2023
Land	\$ 3,969	\$ 3,969	\$ 162	\$ 3,969
Land improvements	5,589	5,431	140	5,589
Leasehold improvements	6,582	5,844	7,028	6,582
Buildings	36,719	35,858	2,958	36,719
Machinery and equipment	79,065	75,190	82,332	79,065
Furniture and fixtures	25,920	24,605	27,214	25,920
Mobile equipment and other	5,287	4,927	5,601	5,287
Construction-in-process	5,125	5,272	4,737	5,125
Total property, plant and equipment	168,256	161,096	130,172	168,256
Less accumulated depreciation	(100,916)	(92,436)	(88,861)	(100,916)
Net property, plant and equipment	\$ 67,340	\$ 68,660	\$ 41,311	\$ 67,340

#### Douglas Dynamics, Inc.

#### Notes to Consolidated Financial Statements (Continued)

Years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021 2022

(Dollars in Thousands Except Per Share Data)

#### 6. Leases

The Company has operating leases for manufacturing, upfit and office facilities, land and parking lots, warehousing space and certain equipment. The leases have remaining lease terms of less than one year to 13 15 years, some of which include options to extend the leases for up to 10 20 years. Such renewal options were not included in the determination of the lease term unless deemed reasonably certain of exercise. The discount rate used in measuring the lease liabilities is based on the Company's interest rate on its secured Term Loan Credit Agreement, adjusted as necessary based on the lease term and the Company's credit spread. Certain of the Company's leases contain escalating rental payments based on an index. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In During the year ended December 31, 2021, 2024, the Company closed on a sale leaseback transaction with an unrelated third party. Under this transaction, the Company sold seven properties with a combined net book value of \$21,852 for gross proceeds of \$64,150, which was determined that facility leases related to reduced by transaction costs of \$5,494 for net cash proceeds of approximately \$58,656. The properties in the sale leaseback transaction are comprised of three facilities located in Milwaukee, Wisconsin and four additional facilities located in each of Huntley, Illinois; Manchester, Iowa; Rockland, Maine; and Madison Heights, Michigan, totaling approximately 780,000 square feet of manufacturing and upfitting space. The lease agreement has an initial term of 15 years, with two locations optional 10-year renewal options. The Company recognized a gain of \$42,298 on this transaction, which is included in the Company's Work Truck Solutions segment were impaired. These two facilities were significantly downsized as part of a restructuring plan, and so it was determined that the carrying value exceeded the fair value of the facilities. As a result, an impairment of \$1,211 was recorded Gain on sale leaseback transaction in the year ended December 31, 2021 and is recorded under Impairment charges in the Company's Consolidated Statements of Income, with an offset being a reduction in Income. Right-of-use assets and lease liabilities recognized related to the Operating lease - right of use asset on the Company's Consolidated Balance Sheets. Going forward, the remaining balance of the right of use asset for the impaired leases is being amortized on a straight line basis. The lease liability for the impaired leases will continue to be amortized over the life of the lease. this sale leaseback transaction were \$51,879 and \$51,879, respectively.

As allowed under ASC 842, the Company has adopted the following practical expedients:

- Short-term lease practical expedient

- o Allows the Company not to apply the recognition requirements in ASC 842 to short-term leases for all asset classes. Short term leases are leases that, at commencement date, have a term of 12 months or less and do not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise.
- Separating lease components practical expedient
  - o Allows the Company not to separate lease components from nonlease components for all asset classes and instead account for each separate lease and the nonlease components associated with that lease component as a single lease component.

#### Lease Expense

The components of lease expense, which are included in Cost of sales and Selling, general and administrative expenses on the Consolidated Statements of Income, were as follows:

	Year Ended	Year Ended	Year Ended	Year	Year	Year
	December 31,	December 31,	December 31,	Ended	Ended	Ended
	2023	2022	2021	December	December	December
Operating lease expense	\$ 5,966	\$ 5,555	\$ 5,663	\$ 8,604	\$ 5,966	\$ 5,555
Short term lease cost	\$ 401	\$ 395	\$ 278	\$ 621	\$ 401	\$ 395
Total lease cost	\$ 6,367	\$ 5,950	\$ 5,941	\$ 9,225	\$ 6,367	\$ 5,950

F- 26 27

**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023, 2024, 2022, 2023 and 2021, 2022**  
(Dollars in Thousands Except Per Share Data)

#### Cash Flow

Supplemental cash flow information related to leases is as follows:

	Year Ended	Year Ended	Year Ended	Year	Year	Year
	December 31,	December 31,	December 31,	Ended	Ended	Ended
	2023	2022	2021	December	December	December
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 6,195	\$ 5,753	\$ 5,566	\$ 8,349	\$ 6,195	\$ 5,753
Non-cash lease expense - right-of-use assets	\$ 5,097	\$ 4,745	\$ 1,768	\$ 6,319	\$ 5,097	\$ 4,745
Right-of-use assets obtained in exchange for operating lease obligations	\$ 5,853	\$ 3,768	\$ 2,671	\$ 59,112	\$ 5,853	\$ 3,768

#### Balance Sheet

Supplemental balance sheet information related to leases is as follows:

	December 31,	December 31,	December	December
	2023	2022	31, 2024	31, 2023
Operating Leases				
Operating lease right-of-use assets	\$ 18,008	\$ 17,432	\$ 70,801	\$ 18,008

Other current liabilities	5,347	4,862	7,394	5,347
Operating lease liabilities	13,887	14,025	64,785	13,887
Total operating lease liabilities	\$ 19,234	\$ 18,887	\$ 72,179	\$ 19,234
Weighted Average Remaining Lease Term (in months)				
Operating leases	53	59	151	53
Weighted Average Discount Rate				
Operating leases	5.36 %	4.69 %	7.05 %	5.36 %

#### Lease Maturities

Maturities of leases were as follows:

Year ending December 31,	Operating Leases	Operating Leases
2024	\$ 6,244	
2025	5,746	\$ 12,159
2026	4,062	10,788
2027	2,297	8,989
2028	1,265	7,902
2029		7,102
Thereafter	1,849	63,864
Total Lease Payments	21,463	110,804
Less: imputed interest	(2,229)	(38,625)
Total	\$ 19,234	\$ 72,179

**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021 2022**  
(Dollars in Thousands Except Per Share Data)

#### 7. Other Intangible Assets

The following is a summary of the Company's other intangible assets:

	Gross	Less	Net	Gross	Less	Net
	Carrying	Accumulated	Carrying	Carrying	Accumulated	Carrying
	Amount	Amortization	Amount	Amount	Amortization	Amount
December 31, 2023						
Indefinite-lived intangibles:						
December 31, 2024						
Indefinite lived intangibles:						
Trademark and tradenames	\$ 77,600	\$ -	\$ 77,600	\$ 77,600	\$ -	\$ 77,600
Amortizable intangibles:						
Dealer network	80,000	79,000	1,000	80,000	80,000	-
Customer relationships	80,920	42,707	38,213	80,920	47,876	33,044
Patents	21,136	18,249	2,887	21,136	19,506	1,630

Noncompete agreements	8,640	8,640	-	8,640	8,640	-
Trademarks	5,459	4,089	1,370	5,459	4,183	1,276
Amortizable intangibles, net	196,155	152,685	43,470	196,155	160,205	35,950
Total	\$ 273,755	\$ 152,685	\$ 121,070	\$ 273,755	\$ 160,205	\$ 113,550

	Gross Carrying Amount	Less Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Less Accumulated Amortization	Net Carrying Amount
December 31, 2022						
Indefinite-lived intangibles:						
December 31, 2023						
Indefinite lived intangibles:						
Trademark and tradenames	\$ 77,600	\$ -	\$ 77,600	\$ 77,600	\$ -	\$ 77,600
Amortizable intangibles:						
Dealer network	80,000	75,000	5,000	80,000	79,000	1,000
Customer relationships	80,920	37,537	43,383	80,920	42,707	38,213
Patents	21,136	16,994	4,142	21,136	18,249	2,887
Noncompete agreements	8,640	8,640	-	8,640	8,640	-
Trademarks	5,459	3,995	1,464	5,459	4,089	1,370
Amortizable intangibles, net	196,155	142,166	53,989	196,155	152,685	35,950
Total	\$ 273,755	\$ 142,166	\$ 131,589	\$ 273,755	\$ 152,685	\$ 113,550

F- 28 29

**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023, 2024, 2022, 2023 and 2021, 2022**  
(Dollars in Thousands Except Per Share Data)

Amortization expense for intangible assets was \$10,520, \$7,520, \$10,520 and \$10,682 \$10,520 for the years ended December 31, 2023, 2024, 2022, 2023 and 2021, 2022, respectively. Estimated amortization expense for the next five years is as follows:

2024		7,520	
2025		6,075	6,075
2026		5,450	5,450
2027		5,450	5,450
2028		5,450	5,450
2029		5,300	

The weighted average remaining life for intangible assets is 7.2 6.4 years at December 31, 2023 2024.

## 8. Long-Term Debt

Long-term debt is summarized below:

December 31,		December 31,	
2023		2022	
		2024	2023

Term Loan, net of debt discount of \$274 and \$387 at December 31, 2023 and December 31, 2022, respectively	\$ 189,413	\$ 207,737	
Term Loan, net of debt discount of \$162 and \$274 at December 31, 2024 and December 31, 2023, respectively		\$ 147,526	\$ 189,413
Less current maturities	6,762	11,137	- 6,762
Long term debt before deferred financing costs	182,651	196,600	147,526 182,651
Deferred financing costs, net	1,160	1,301	847 1,160
Long term debt, net	\$ 181,491	\$ 195,299	\$ 146,679 \$ 181,491

The scheduled maturities on long term debt at December 31, 2023, are as follows:

2024	\$ 6,875
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The scheduled maturities on long term debt at December 31, 2024, are as follows:

2025	19,688	\$ -
2026	162,850	147,526
	\$ 189,413	\$ 147,526

F- 29 30

**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023, 2024, 2022 2023 and 2021 2022**  
**(Dollars in Thousands Except Per Share Data)**

On January 5, 2023, the Company entered into Amendment No. 1 to Credit Agreement and Revolving Credit Commitment Increase Supplement ("Amendment No. 1") by and among the Company, the Borrowers, the financial institutions listed in Amendment No. 1 as lenders, and JPMorgan Chase Bank, N.A., as administrative agent, which amended the Credit Agreement, dated as of June 9, 2021 (as amended by Amendment No. 1, the "Credit Agreement"), and pursuant to which, among other things, (i) the Revolving Loan Borrowers exercised a portion of the Revolving Commitment Increase Option (as defined below) and increased the revolving commitment under the Credit Agreement by \$50,000 for a total of \$150,000 in the aggregate and (ii) the London Interbank Offered Rate pricing option under the Credit Agreement was replaced with a Term SOFR Rate pricing option. Deferred financing costs of \$334 are being amortized over the term of the loan. On July 11, 2023, the Company entered into Amendment No. 2 to the Credit Agreement, which allows the Company to take out loans of up to \$1,000 against its corporate-owned life insurance policies as included in Non-qualified benefit plan assets on the Condensed Consolidated Balance Sheets. Pursuant to Amendment No. 2, the Company had outstanding loans of \$546 and \$750 against its corporate-owned life insurance policies as of December 31, 2024 and 2023, respectively, included in Other long-term liabilities on the Consolidated Balance Sheets. On January 29, 2024, the Company entered into Amendment No. 3 to the Credit Agreement, which modifies the minimum required Leverage Ratio (as defined in the Credit Agreement) of the Company, which is measured as of the last day of each Reference Period (as defined in the Credit Agreement), from 3.50 to 1.00 for each Reference Period to (i) 3.50 to 1.00 for each Reference Period ending on or prior to September 30, 2023, (ii) 4.25 to 1.00 for the Reference Period ending on December 31, 2023, (iii) 4.00 to 1.00 for each Reference Period ending on March 31, 2024 and June 30, 2024, and (iv) 3.50 to 1.00 for each Reference Period ending on September 30, 2024 and thereafter.

The Company ~~will be~~ is required to pay a fee for unused amounts under the senior secured revolving facility in an amount ranging from 0.150% to 0.300% of the average daily unused portion of the senior secured revolving credit facility, depending on Douglas Dynamics, L.L.C.'s ("DDI LLC") Leverage Ratio (as defined in the Credit Agreement). The Credit Agreement provides that the senior secured term loan facility will bear interest at (i) the Term SOFR Rate for the applicable interest period plus (ii) a margin ranging from 1.375% to 2.00%, depending on the DDI LLC's Leverage Ratio. The Credit Agreement provides that the Revolving Loan Borrowers have the option to select whether the senior secured revolving credit facility borrowings will bear interest at either (i)(a) the Term SOFR Rate for the applicable interest period plus (b) 0.10% plus (c) a margin ranging from 1.375% to 2.00%, depending on DDI LLC's Leverage Ratio, or (ii) a margin ranging from 0.375% to 1.00% per annum, depending on DDI LLC's Leverage Ratio, plus the greatest of (which if the following would be less than 1.00%, such rate shall be deemed to be 1.00%) (a) the Prime Rate (as defined in the Credit Agreement) in effect on such day, (b) the NYFRB Rate (as defined in the Credit Agreement) plus 0.50% and (c) the Term SOFR Rate for a one month interest plus 0.10% (the "Adjusted Term SOFR Rate"). If the Adjusted Term SOFR Rate for the applicable interest period is less than zero, such rate shall be deemed to be zero for purposes of calculating the foregoing interest rates in the Credit Agreement.

Following Amendment No. 1, the Credit Agreement provides for a senior secured term loan in the amount of \$225,000 and a senior secured revolving credit facility in the amount of \$150,000, of which \$10,000 will be available in the form of letters of credit and \$15,000 will be available for the issuance of short-term swingline loans. The

Credit Agreement also allows the Company to request increases to the revolving commitments and/or incremental term loans in an aggregate amount not in excess of \$175,000 (the "Revolving Commitment Increase Option"), subject to specified terms and conditions. The final maturity date of the Credit Agreement is June 9, 2026. The Company applied the proceeds of the senior secured term loan facility under the Credit Agreement to refinance its existing senior secured term loan and revolving credit facilities and for the payment of transaction consideration and expenses in connection with the Credit Agreement.

The Credit Agreement was issued at a \$563 discount which is being amortized over the term of the term loan. Additionally, deferred financing costs of \$1,409 are being amortized over the term of the loan. The Company's entrance into the Credit Agreement and subsequent settlement of its prior credit agreements is accounted for as an extinguishment of the Company's prior debt under ASC 470-50, which resulted in the write off of unamortized capitalized deferred financing costs of \$972 as well as the write off of unamortized debt discount of \$3,964, resulting in a loss on extinguishment of debt of \$4,936 in the Consolidated Statement Operations and Comprehensive Income for the year ended December 31, 2021.

At December 31, 2023 2024, the Company had outstanding borrowings under the term loan of \$189,413, \$47,000 \$147,526, \$0 in outstanding borrowings on the revolving credit facility and remaining borrowing availability of \$102,450. \$149,450. During the year ended December 31, 2024, the Company made a pre-payment of \$42,000 of debt amortization principal payments under its Credit Agreement using a portion of the proceeds from the sale leaseback transaction, as described in Note 6. During the year ended December 31, 2023, the Company made a voluntary pre-payment of \$10,000 of debt amortization principal payments under the Company's Credit Agreement. The Company made a voluntary payment of \$20,000 on its debt on March 31, 2021.

The Credit Agreement includes customary representations, warranties and negative and affirmative covenants, as well as customary events of default and certain cross default provisions that could result in acceleration of the Credit Agreement. In addition, as a result of the modifications to the minimum required Leverage Ratio under Amendment No.3 to the Credit Agreement as discussed above, the Credit Agreement requires the Company to have a Leverage Ratio of not more than (i) 3.50 to 1.00 as of for each Reference Period ending on or prior to September 30, 2023, (ii) 4.25 to 1.00 for the last day of any fiscal quarter commencing with the fiscal quarter Reference Period ending on December 31, 2023, (iii) 4.00 to 1.00 for each Reference Period ending on March 31, 2024 and June 30, 2021, 2024, and (iv) 3.50 to 1.00 for each Reference Period ending on September 30, 2024 and thereafter, and to have a Consolidated Interest Coverage Ratio (as defined in the Credit Agreement) of not less than 3.00 to 1.00 as of the last day of any fiscal quarter commencing with the fiscal quarter ending June 30, 2021. As of December 31, 2023 2024, the Company is in compliance with the respective covenants.

F- 30 31

**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023, 2024, 2022, 2023 and 2021, 2022**  
**(Dollars in Thousands Except Per Share Data)**

On June 13, 2019, the Company entered into an interest rate swap agreement to reduce its exposure to interest rate volatility. The interest rate swap has a notional amount of \$175,000 effective for the period May 31, 2019 through May 31, 2024. The Company may have counterparty credit risk resulting from the interest rate swap, which it monitors on an on-going basis. The risk lies with one global financial institution. Under the interest rate swap agreement, the Company will either receive or make payments on a monthly basis based on the differential between 2.424% and SOFR. The interest rate swap was previously accounted for as a cash flow hedge. During the first quarter of 2020, the swap was determined to be ineffective. As a result, the swap was redesignated on March 19, 2020, and the remaining losses included in Accumulated other comprehensive loss income (loss) on the Consolidated Balance Sheets would be amortized into interest expense on a straight line basis through the life of the swap. The amount amortized from Accumulated other comprehensive loss income (loss) into earnings during the years ended December 31, 2023 2024 and 2022, 2023 was (\$1,163) 485 and (\$1,163), respectively. A mark-to-market adjustment of \$476 \$198 and \$476 was recorded as Interest expense in the Consolidated Statements of Income for the years ended December 31, 2023 2024 and 2022, 2023, respectively, related to the swap.

On June 9, 2021, in conjunction with entering into the Credit Agreement described above, the Company re-designated its swap. As a result, the swap will be recorded at fair value with changes recorded in Accumulated other comprehensive loss, income (loss). The amortization from Accumulated other comprehensive income (loss) into earnings from the previous redesignation has been adjusted as of June 9, 2021 to include the de-recognition of previously recognized mark-to-market gains and the amortization of the off-market component as of the re-designation date, and will continue to be recognized through the life of the swap. The As of December 31, 2024, the amount expected to be amortized from in Accumulated other comprehensive loss income has been fully amortized into earnings in the next twelve months is \$286. earnings.

On May 19, 2022, the Company entered into an interest rate swap agreement to further reduce its exposure to interest rate volatility. The interest rate swap has a notional amount of \$125,000 effective for the period May 31, 2024 through June 9, 2026. The Company may have counterparty credit risk resulting from the interest rate swap, which it monitors on an on-going basis. The risk lies with two global financial institutions. Under the interest rate swap agreement, the Company will either receive or make payments on a monthly basis based on the differential between 2.718% and SOFR. The interest rate swap is accounted for as a cash flow hedge.

The interest rate swaps' positive fair value at December 31, 2023 2024 was \$4,033, \$2,340, of which \$3,174 \$1,712 and \$859 \$628 are included in Prepaid and other current assets and Other long-term assets on the Consolidated Balance Sheet, respectively. The interest rate swap's positive fair value at December 31, 2022 2023 was \$7,039, \$4,033, of which \$4,120 \$3,174 and \$2,919 \$859 are included in Prepaid and other current assets and Other long-term assets on the Consolidated Balance Sheet, respectively.

On December 17, 2024, the Company entered into a steel hedging agreement to reduce its exposure to commodity price swings. The steel hedging instrument has a notional quantity of 3,000 short tons and is effective for the period August 1, 2025 through December 31, 2025, which the Company expects to be slightly less than half of its exposure during the effective period. Under the steel hedge agreement, the Company will make fixed payments of \$819 per short ton for the Steel Hot Rolled Coil (HRC) commodity. The steel hedging instrument is accounted for as a cash flow hedge. The steel hedging instrument's negative fair value at December 31, 2024 was \$54, which is included in Accrued expenses and other current liabilities on the Consolidated Balance Sheet.

The Company receives on consignment, truck chassis on which it performs upfitting service installations under "bailment pool" arrangements with major truck manufacturers. The Company never receives title to the truck chassis. The aggregate value of all bailment pool chassis on hand as of December 31, 2023 2024 and 2022 2023 was \$20,293 \$17,489 and \$7,847, \$20,293, respectively. The Company is responsible to the manufacturer for interest on chassis held for upfitting. Interest rates vary depending on the number of days in the bailment pool. As of December 31, 2023 2024, rates were based on prime (8.50%) (7.50% at December 31, 2023 2024) plus a margin ranging from 0% to 8%. During 2023 2024, the Company incurred \$344 \$630 in interest on the bailment pool arrangement. During 2022 2023, the Company incurred \$11 \$344 in interest on the bailment pool arrangement.

The Company has a floor plan line of credit for up to \$5,000 with a financial institution. The current terms of the line of credit are contained in a credit agreement dated July 15, 2016 and expired on July 31, 2017, which the Company renewed through February 24, 2024 28, 2025. Under the floor plan agreement, the Company receives truck chassis and title on upfitting service installations. Upon upfit completion, the title transfers from the Company to the dealer customer. The note bears interest at an adjusted SOFR rate, plus an applicable rate of 1.75%. The obligation under the floor plan agreement as of December 31, 2023 2024 and 2022 2023 is \$2,612 and \$2,217, and \$1,211, respectively. During 2024, the Company incurred \$1,011 in interest on the floor plan arrangements. During 2023, the Company incurred \$734 in interest on the floor plan arrangements. During 2022, the Company incurred \$321 in interest on the floor plan arrangements.

**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021 2022**  
(Dollars in Thousands Except Per Share Data)

#### **9. Accrued Expenses and Other Current Liabilities**

Accrued expenses and other current liabilities are summarized as follows:

	<b>December 31,</b>		<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>	<b>2024</b>	<b>2023</b>
Payroll and related costs	\$ 5,772	\$ 10,805	\$ 9,876	\$ 5,772
Employee benefits	7,937	8,863	6,391	7,937
Accrued warranty	4,068	4,558	3,379	4,068
Other	8,040	6,258	6,536	8,040
	<b>\$ 25,817</b>	<b>\$ 30,484</b>	<b>\$ 26,182</b>	<b>\$ 25,817</b>

#### **10. Warranty Liability**

The Company accrues for estimated warranty costs as sales are recognized and periodically assesses the adequacy of its recorded warranty liability and adjusts the amount as necessary. The Company's warranties generally provide, with respect to its snow and ice control equipment, that all material and workmanship will be free from defect for a period of one to two years after the date of purchase by the end-user, and with respect to its parts and accessories purchased separately, that such parts and accessories will be free from defect for a period of one year after the date of purchase by the end-user. Certain snowplows only provide for a one year warranty. The

Company determines the amount of the estimated warranty costs (and its corresponding warranty reserve) using the expected value method, and is based on the Company's prior five years of warranty history utilizing a formula driven by historical warranty expense and applying management's judgment. The Company adjusts its historical warranty costs to take into account unique factors such as the introduction of new products into the marketplace that do not provide a historical warranty record to assess. All of the Company's warranties are assurance-type warranties. The warranty reserve is **\$6,957** **\$5,559** at December 31, **2023** **2024** of which **\$2,889** **\$2,180** is included in Other long-term liabilities and **\$4,068** **\$3,379** is included in Accrued expenses and other current liabilities in the accompanying Consolidated Balance Sheet. At December 31, **2022** **2023**, the warranty reserve is **\$7,876** **\$6,957** of which **\$3,318** **\$2,889** is included in Other long term liabilities and **\$4,558** **\$4,068** is included in Accrued expenses and other current liabilities in the accompanying Consolidated Balance Sheet.

The following is a rollforward of the Company's warranty liability:

	December 31,			December 31,		
	2023	2022	2021	2024	2023	2022
Balance at the beginning of the period	7,876	6,368	5,812	6,957	7,876	6,368
Warranty provision	2,684	4,835	5,270	1,670	2,684	4,835
Claims paid/settlements	(3,603)	(3,327)	(4,714)	(3,068)	(3,603)	(3,327)
Balance at the end of the period	<b>6,957</b>	<b>7,876</b>	<b>6,368</b>	<b>5,559</b>	<b>6,957</b>	<b>7,876</b>

**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021 2022**  
(Dollars in Thousands Except Per Share Data)

## 11. Income Taxes

The provision for income tax expense consists of the following:

	Year ended December 31			Year ended December 31		
	2023	2022	2021	2024	2023	2022
Current:						
Federal	\$ (2,854)	\$ 10,515	\$ 4,246	\$ 18,176	\$ (2,854)	\$ 10,515
State	804	1,505	(1,967)	2,606	804	1,505
	(2,050)	12,020	2,279	20,782	(2,050)	12,020
Deferred:						
Federal	7,709	(2,187)	1,874	(2,617)	7,709	(2,187)
State	(148)	(1,081)	(256)	(425)	(148)	(1,081)
	7,561	(3,268)	1,618	(3,042)	7,561	(3,268)
	<b>\$ 5,511</b>	<b>\$ 8,752</b>	<b>\$ 3,897</b>	<b>\$ 17,740</b>	<b>\$ 5,511</b>	<b>\$ 8,752</b>

A reconciliation of income tax expense computed at the federal statutory rate to the provision for income taxes for the years ended December 31, **2023** **2024**, **2022** **2023** and **2021** **2022** is as follows:

	2023	2022	2021	2024	2023	2022
Federal income tax expense at statutory rate	\$ 6,139	\$ 9,946	\$ 7,264	\$ 15,517	\$ 6,139	\$ 9,946
State taxes, net of federal benefit	762	1,445	(1,329)	2,295	762	1,445
Valuation allowance	(67)	(1,202)	(101)	(495)	(67)	(1,202)
Change in uncertain tax positions, net	225	356	(705)	540	225	356
Research and development credit	(1,012)	(1,333)	(859)	(704)	(1,012)	(1,333)
Investment tax credit	(682)	-	-	-	(682)	-

State rate change	92	(168)	(652)	(165)	92	(168)
Other	54	(292)	279	752	54	(292)
	<u>\$ 5,511</u>	<u>\$ 8,752</u>	<u>\$ 3,897</u>	<u>\$ 17,740</u>	<u>\$ 5,511</u>	<u>\$ 8,752</u>

F- 33 34

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**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023, 2024, 2022 2023 and 2021 2022**  
(Dollars in Thousands Except Per Share Data)

Significant components of the Company's deferred tax liabilities and assets are as follows:

	December 31,		December 31,	
	2023	2022	2024	2023
Deferred tax assets:				
Allowance for doubtful accounts	\$ 413	\$ 341	\$ 588	\$ 413
Inventory reserves	1,468	1,367	1,749	1,468
Warranty liability	1,690	1,856	1,343	1,690
Deferred compensation	2,124	2,349	2,237	2,124
<b>Earnout liabilities</b>	-	245		
Pension and retiree health benefit obligations	1,225	1,344	866	1,225
Accrued vacation	1,137	1,278	844	1,137
Research expenditures	5,842	3,711	6,723	5,842
Operating lease liabilities	4,730	4,648	17,625	4,730
Net operating losses	1,663	2,126	1,194	1,663
Other accrued liabilities	4,376	4,301	4,550	4,376
State credit carryforwards	1,032	-	1,060	1,032
Other	404	990	338	404
Valuation allowance	(2,005)	(2,071)	(1,510)	(2,005)
<b>Total deferred tax assets</b>	<b>24,099</b>	<b>22,485</b>	<b>37,607</b>	<b>24,099</b>
Deferred tax liabilities:				
Interest rate swaps	(994)	(1,729)	(573)	(994)
Tax deductible goodwill and other intangibles	(35,974)	(35,492)	(37,125)	(35,974)
Accelerated depreciation	(9,924)	(10,225)	(6,754)	(9,924)
Operating leases - right of use assets	(4,430)	(4,288)	(17,289)	(4,430)
Other	(680)	(588)	(440)	(680)
<b>Total deferred tax liabilities</b>	<b>(52,002)</b>	<b>(52,322)</b>	<b>(62,181)</b>	<b>(52,002)</b>
<b>Net deferred tax liabilities</b>	<b>\$ (27,903)</b>	<b>\$ (29,837)</b>	<b>\$ (24,574)</b>	<b>\$ (27,903)</b>

Deferred income tax balances reflect the effects of temporary differences between the carrying amount of assets and liabilities and their tax bases and are stated at enacted tax rates expected to be in effect when taxes are actually paid or recovered.

F- 34 35

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**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023, 2024, 2022 2023 and 2021 2022**  
(Dollars in Thousands Except Per Share Data)

State operating loss carry forwards for tax purposes will result in future tax benefits of approximately **\$1,203** **\$906**. These loss carry-forwards began to expire in 2021. The Company evaluated the need to maintain a valuation allowance against certain deferred tax assets. Based on this evaluation, which included a review of recent profitability, future projections of profitability, and future deferred tax liabilities, the Company concluded that a valuation allowance of approximately **\$1,545** **\$1,222** is necessary at December 31, **2023** **2024** for the state net operating loss carry-forwards which are likely to expire prior to the Company's ability to use the tax benefit. The Company also carries a valuation allowance for approximately **\$460** **\$288** related to non-state net operating loss carry-forwards which are likely to expire prior to the Company's ability to use the tax benefit.

A reconciliation of the beginning and ending liability for uncertain tax positions is as follows:

	2023	2022	2021	2024	2023	2022
Balance at beginning of year	\$ 1,519	\$ 1,214	\$ 1,954	\$ 1,701	\$ 1,519	\$ 1,214
Increases for tax positions taken in the current year	277	350	311	681	277	350
Decreases due to settlements with taxing authorities	-	-	(991)			
Increases for tax positions taken in prior years			951	-	-	
Decreases due to lapses in the statute of limitations	(95)	(45)	(60)	(828)	(95)	(45)
Balance at the end of year	<b>\$ 1,701</b>	<b>\$ 1,519</b>	<b>\$ 1,214</b>	<b>\$ 2,505</b>	<b>\$ 1,701</b>	<b>\$ 1,519</b>

The amount of the unrecognized tax benefits that would affect the effective tax rate, if recognized, was approximately **\$1,701** **\$2,505** at December 31, **2023** **2024**. The Company recognizes interest and penalties related to the unrecognized tax benefits in income tax expense. Approximately **\$662** **\$567** and **\$581** **\$662** of accrued interest and penalties is reported as an income tax liability at December 31, **2023** **2024** and **2022** **2023**, respectively. The liability for unrecognized tax benefits is reported in Other Long-term Liabilities on the Consolidated Balance Sheets at December 31, **2023** **2024** and **2022** **2023**.

The Company files income tax returns in the United States (federal) and various states. Tax years open to examination by tax authorities under the statute of limitations include **2020** **2021**, **2021** **2022** and **2022** **2023** for Federal and **2019** **2020** through **2022** **2023** for most states. Tax returns for the **2023** **2024** tax year have not yet been filed.

Beginning in 2022, the Tax Cuts and Jobs Act of 2017 eliminated the option to deduct research and development expenditures in the year incurred and required taxpayers to amortize them over a period of five years for tax purposes. This mandatory capitalization requirement increases our the Company's deferred tax assets and cash tax liabilities.

## 12. Employee Retirement Plans

### Postretirement benefits

The Company provides postretirement healthcare benefits for certain employee groups. The postretirement healthcare plans are contributory and contain certain other cost-sharing features such as deductibles and coinsurance. The plans are unfunded. Employees do not vest until they retire from active employment with the Company and have at least twelve years of service. These benefits can be amended or terminated at any time and are subject to the same ongoing changes as the Company's healthcare benefits for employees with respect to deductible, co-insurance and participant contributions. Postretirement benefits of **\$4,692** **\$3,319** and **\$5,230** **\$4,692** as of December 31, **2023** **2024** and December 31, **2022** **2023**, respectively, are included in Retiree benefits and deferred compensation in the Consolidated Balance Sheets. Postretirement benefits of **\$280** **\$220** and **\$240** **\$280** as of December 31, **2023** **2024** and December 31, **2022** **2023**, respectively, are included in Accrued expenses and other current liabilities in the Consolidated Balance Sheets.

F- 35 36

**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023, 2024, 2022, 2023 and 2021, 2022**  
**(Dollars in Thousands Except Per Share Data)**

Effective January 1, 2004, the postretirement healthcare benefits were extended to all active employees of the Company as of December 31, 2003. The period of coverage was reduced and the retiree contribution percentage was increased in order to keep the cost of the plan equivalent to the previous plan design.

Maximum coverage under the plan is limited to ten years. All benefits terminate upon the death of the retiree. Employees who began working for the Company after December 31, 2003, are not eligible for postretirement healthcare benefits.

The reconciliation of the beginning and ending balances of the projected benefit obligation for the Company consisted of the following:

	December 31,			December 31,	
	2023		2022	2024	
				2023	2023
<b>Change in projected benefit obligation:</b>					
Benefit obligation at beginning of year	\$ 5,470	\$ 6,261	\$ 4,972	\$ 5,470	
Service cost	77	115	63	77	
Interest cost	266	153	229	266	
Participant contributions	70	59	82	70	
Changes in actuarial assumptions	(360)	(972)	(1,154)	(360)	
Benefits paid	(551)	(146)	(653)	(551)	
<b>Projected benefit obligation at end of year</b>	<b>\$ 4,972</b>	<b>\$ 5,470</b>	<b>\$ 3,539</b>	<b>\$ 4,972</b>	
<b>Amounts recognized in the consolidated balance sheets consisted of:</b>					
Accrued expenses and other current liabilities	\$ 280	\$ 240	\$ 220	\$ 280	
Retiree health benefit obligation	4,692	5,230	3,319	4,692	
	<b>\$ 4,972</b>	<b>\$ 5,470</b>	<b>\$ 3,539</b>	<b>\$ 4,972</b>	

The components of postretirement healthcare benefit cost consisted of the following for the year ended December 31,

	2023	2022	2021	2024	2023	2022
<b>Components of net postretirement health benefit cost:</b>						
Service cost	\$ 77	\$ 115	\$ 137	\$ 63	\$ 77	\$ 115
Interest cost	266	153	137	229	266	153
Amortization of net gain	(539)	(400)	(312)	(514)	(539)	(400)
<b>Net postretirement healthcare benefit cost</b>	<b>\$ (196)</b>	<b>\$ (132)</b>	<b>\$ (38)</b>	<b>\$ (222)</b>	<b>\$ (196)</b>	<b>\$ (132)</b>

F- 36 37

**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023, 2024, 2022, 2023 and 2021, 2022**  
(Dollars in Thousands Except Per Share Data)

The assumed discount and healthcare cost trend rates are summarized as follows:

	Year Ended December 31,			Year Ended December 31,		
	2023	2022	2021	2024	2023	2022
Discount rate	5.0 %	2.5 %	2.1 %	4.7 %	5.0 %	2.5 %
Immediate healthcare cost trend rate	*	**	***	*	**	***
Ultimate healthcare cost trend rate	4.5	4.5	4.5	4.5	4.5	4.5
Assumed annual reduction in trend rate	*	**	***	*	**	***
Participation	60	60	60	60	60	60

\* Health Care Cost Trend rate is assumed to be 8.5% beginning in 2024 gradually reducing to an ultimate rate of 4.5% in 2033.

\*\* Health Care Cost Trend rate is assumed to be 7.5% beginning in 2023 gradually reducing to an ultimate rate of 4.5% in 2032.

\*\* Health Care Cost Trend rate is assumed to be 7.5% beginning in 2022 gradually reducing to an ultimate rate of 4.5% in 2031.

\*\* Health Care Cost Trend rate is assumed to be 7.0% beginning in 2021 gradually reducing to an ultimate rate of 4.5% in 2030.

The discount rate used to determine the benefit obligation at December 31, 2023 2024 and 2022 2023 is 4.7% 5.3% and 5.0% 4.7%, respectively. For December 31, 2024, the health care cost trend rate is assumed to be 8.5% beginning in 2024 gradually reducing to an ultimate rate of 4.5% in 2033. For December 31, 2023, the health care cost trend rate is assumed to be 7.5% beginning in 2023 gradually reducing to an ultimate rate of 4.5% in 2032. For December 31, 2022, the health care cost trend rate is assumed to be 7.5% beginning in 2022 gradually reducing to an ultimate rate of 4.5% in 2031. For December 31, 2021, the health care cost trend rate is assumed to be 7.0% beginning in 2021 gradually reducing to an ultimate rate of 4.5% in 2030.

No actuarial gains (losses) remain in accumulated other comprehensive income related to pension due to the termination of the plans. The amount included in accumulated other comprehensive income, net of tax, at December 31, 2023 2024, which has not yet been recognized in net periodic OPEB cost was a net actuarial gain of \$3,025. \$3,676.

#### Defined contribution plan

The Company has a defined contribution plan, which qualifies under Section 401(k) of the Internal Revenue Code and provides substantially all employees an opportunity to accumulate personal funds for their retirement. Contributions are made on a before-tax basis to the plan and are invested, at the employees' direction, among a variety of investment alternatives including, commencing January 1, 2013, a Company common stock fund designated as an employee stock ownership plan.

As determined by the provisions of the plan, the Company matches a portion of the employees' basic voluntary contributions. The Company matching contributions to the plan were approximately \$4,836, \$5,172 \$4,999 and \$4,334 \$4,999 for the years ended December 31, 2023 2024, 2022 2023 and 2021 2022, respectively. The Company made non-discretionary employer contributions of \$0, \$0 and \$0 in the years ended December 31, 2023 2024, 2022 2023 and 2021 2022, respectively. The Company made discretionary employer contributions of \$470 in the year ended December 31, 2021.

F- 37 38

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#### Douglas Dynamics, Inc.

#### Notes to Consolidated Financial Statements (Continued)

Years ended December 31, 2023, 2024, 2022 2023 and 2021 2022

(Dollars in Thousands Except Per Share Data)

#### Non-qualified plan

The Company also maintains a supplemental non-qualified plan for certain officers and other key employees. Expense for this plan was \$204, \$222 \$378 and \$475 \$378 for the years ended December 31, 2023, 2024, 2022 2023 and 2021 2022, respectively. The amount accrued was \$10,297, \$9,229 \$9,420 and \$11,139 \$9,420 as of December 31, 2023, 2024, 2022 2023 and 2021 2022, respectively and is included in Retiree benefits and deferred compensation on the Consolidated Balance Sheets. Amounts were determined based on the fair value of the liability at December 31, 2023, 2024, 2022 2023 and 2021 2022, respectively. The Company holds assets that are substantially equivalent to the liability and are intended to fund the liability. Non-qualified plan assets of \$9,195 \$10,482 and \$8,874 \$9,195 at December 31, 2023 2024 and December 31, 2022 2023, respectively, are included as Non-qualified benefit plan assets on the Consolidated Balance Sheets. The Company had outstanding loans of \$546 and \$750 against its corporate-owned life insurance policies as of December 31, 2024 and December 31, 2023, respectively, included in Other long-term liabilities on the Consolidated Balance Sheets, see Note 8 for additional information.

#### 13. Stock-Based Compensation

##### 2010 Stock Incentive Plan and 2024 Stock Incentive Plan

In May 2010, the Company's Board of Directors and stockholders adopted the 2010 Stock Incentive Plan (the "2010 Plan"). The material terms of the performance goals under the 2010 Plan, as amended and restated, were approved by stockholders at the Company's 2014 annual meeting of stockholders and the plan's term was extended further by the stockholders at the Company's 2020 annual meeting of stockholders. The 2010 Plan provides for the issuance of nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock awards and restricted stock units, any of which may be performance-based, and for incentive bonuses, which may be paid in cash or stock or a combination of both, to eligible employees, officers, non-employee directors and other service providers to the

Company and its subsidiaries. A maximum of 2,130,000 shares of common stock were available for issuance pursuant to all awards under the 2010 Plan prior to the time that the 2010 Plan was suspended, as described below.

In February 2024, the Company's Board of Directors adopted the 2024 Stock Incentive Plan (the "2024 Plan"), which was subsequently approved by stockholders in April 2024. The 2024 Plan provides for the issuance of nonqualified stock options, stock appreciation rights, restricted stock awards and restricted stock units, any of which may be performance-based, and for incentive bonuses, which may be paid in cash or stock or a combination of both, to eligible employees, officers, non-employee directors and other service providers to the Company and its subsidiaries. A maximum of 1,277,660 shares of common stock may be issued pursuant to all awards under the 2024 Plan. At the time that the stockholders approved the 2024 Plan, it replaced the 2010 Plan, and no further awards may be issued under the 2010 Plan. Awards that remain outstanding under the 2010 Plan will remain outstanding under the 2010 Plan in accordance with their terms. As of December 31, 2023, the Company had 340,160 shares of common stock available for future issuance of awards under the 2010 Plan. The shares of common stock to be issued under the 2010 Plan will be made available from authorized and unissued Company common stock.

#### **Restricted Stock Units**

Restricted stock units ("RSUs") are granted to both non-employee directors and management. Prior to 2013, RSUs were only issued to directors. However, in 2013, the Company changed the timing and form of management's annual stock grants and began to grant RSUs to management. RSUs do not carry voting rights. While all non-employee director RSUs participate in dividend equivalents, there are two classes of management RSUs, one that participates in dividend equivalents, and a second that does not participate in dividend equivalents. Each RSU represents the right to receive one share of the Company's common stock and is subject to time based vesting restrictions. Participants are not required to pay any consideration to the Company at either the time of grant of a RSU or upon vesting.

In Equity awards issued to management under either the 2013, 2010 Plan or the Company's compensation committee approved 2024 Plan include a retirement provision for RSUs issued to management. The retirement provision provides that under which members of management who either (1) are age 65 or older or (2) have at least ten years of service and are at least age 55 will continue to vest in unvested RSUs upon retirement. The retirement provision also stipulates that the employee remain employed by the Company for six months after the first day of the fiscal year of the grant. As the retirement provision does not qualify as a substantive service condition, the Company incurred \$2,457, \$1,887 and \$2,988 in additional expense related to each year's grant in the years ended December 31, 2023, 2024, 2022 and 2021, respectively, as a result of accelerated stock based compensation expense for employees who meet the thresholds of the retirement provision. In 2013, the Company's nominating and governance committee also approved a retirement provision for the RSUs issued to non-employee directors that accelerates the vesting of such RSUs awards upon retirement. Such awards are fully expensed immediately upon grant in accordance with ASC 718, as the retirement provision eliminates substantive service conditions associated with the awards.

F- 38 39

**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023, 2024, 2022, 2023 and 2021**  
**(Dollars in Thousands Except Per Share Data)**

A summary of RSU activity for the years ended December 31, 2023, 2024, 2022, 2023 and 2021 is as follows:

	Shares	Fair value	Term (in years)	Weighted	Weighted	Weighted	Weighted
				Average	Average		
				Grant	Remaining		
				Date	Contractual		
Unvested at December 31, 2020	36,022	42.73	1.40				
Granted	134,218	44.48	1.07				
Vested	(88,225)	39.73					
Cancelled and forfeited	(2,112)	44.48					
Unvested at December 31, 2021	79,903	48.87	1.91	79,903	48.87	1.91	
Granted	117,969	36.70	1.27	117,969	36.70	1.27	
Vested	(79,265)	40.80		(79,265)	40.80		

Cancelled and forfeited	(7,343)	46.15		(7,343)	46.15	
Unvested at December 31, 2022	111,264	41.89	1.76	111,264	41.89	1.76
Granted	155,695	36.83	1.70	155,695	36.83	1.70
Vested	(79,592)	44.47		(79,592)	44.47	
Cancelled and forfeited	(4,144)	38.74		(4,144)	38.74	
Unvested at December 31, 2023				183,223	36.54	1.72
Granted				336,685	27.66	1.69
Vested				(134,934)	38.54	
Cancelled and forfeited				(10,636)	29.69	
Unvested at December 31, 2023	183,223	\$ 36.54	1.72			
Unvested at December 31, 2024				374,338	\$ 28.02	1.74
Expected to vest in the future at December 31, 2023	178,275	\$ 36.54	1.72			
Expected to vest in the future at December 31, 2024				363,579	\$ 28.02	1.74

The Company recognized \$5,747, \$3,700 \$2,947 and \$3,292 \$2,947 of compensation expense related to the RSU awards in the years ended December 31, 2023, 2024, 2022 2023 and 2021 2022, respectively. The unrecognized compensation expense, net of expected forfeitures, calculated under the fair value method for shares that were, as of December 31, 2023 2024, expected to be earned through the requisite service period was approximately \$2,474 \$4,325 and is expected to be recognized through 2026 2027.

Beginning in 2019, For grants to non-employee directors, vesting occurs as of the grant date. Vested director RSUs are "settled" by the delivery to the participant or a designated brokerage firm of one share of common stock per vested RSU as soon as reasonably practicable following a termination of service of the participant that constitutes a separation from service, or as soon as reasonably practicable upon grant if such election is made by the non-employee director, and in all events no later than the end of the calendar year in which such termination of service occurs or, if later, two and one-half months after such termination of service. Vested management RSU's are "settled" by the delivery to the participant or a designated brokerage firm of one share of common stock per vested RSU as soon as reasonably practicable following vesting.

#### Performance Share Unit Awards

The Company granted performance share units as performance based awards under the 2010 Plan in the first quarter of 2023 2024, 2022 2023 and 2021 2022 that are subject to performance conditions over a three year performance period beginning in the year of the grant grant and, beginning with the 2024 grant, includes three 1-year measurement periods, as well as a vesting component based on a Total Shareholder Return ("TSR") modifier tied to the Company's relative total shareholder return in comparison to the total shareholder return of the S&P Small Cap 600 Industrials market index. The total number of shares issued pursuant to performance share units may be increased, decreased, or unchanged based on this TSR modifier. Upon meeting the prescribed performance conditions, employees will be issued shares which vest immediately at the end of the measurement performance period. Currently the Company expects participants to earn 42,555, 24,688 23,610, 0 and 29,888 13,853 shares related to the 2023 2024, 2022 2023 and 2021 2022 performance share grants, respectively. In accordance with ASC 718, such awards are being expensed over the vesting period from the date of grant through the requisite service period, based upon the most probable outcome. In the first quarter of 2023 2024 there were 16,502 29,810 performance share units that converted into RSUs related to the 2020 2021 performance share grants. For the 2024 grants, a Monte Carlo simulation has been used to account for the TSR market condition in the grant date fair value of the award, which was \$26.60 per share. The fair value per share of the awards granted in 2023 and 2022 is the closing stock price on the date of grant, which was \$37.36 and \$37.57, and \$49.96 for the 2023, 2022 and 2021 grants, respectively.

The Company recognized (\$2,747) 887, \$3,783 (\$2,747) and \$2,502 \$3,783 of compensation expense related to the awards in the years ended December 31, 2023 2024, 2022 2023 and 2021 2022, respectively. The unrecognized compensation expense calculated under the fair value method for shares that were, as of December 31, 2023 2024, expected to be recognized through the requisite service period was \$776 \$209 and is expected to be recognized through 2026 2027.

#### Douglas Dynamics, Inc.

#### Notes to Consolidated Financial Statements (Continued)

Years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021 2022

(Dollars in Thousands Except Per Share Data)

## 14. Earnings Per Share

Basic earnings per share of common stock is computed by dividing net income attributable to common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised into common stock or resulted in the issuance of common stock is computed by dividing net income by that then shared in the weighted average number of common shares, using the two-class method. Company. As the Company has granted RSUs certain equity awards that both participate in dividend equivalents and do not participate in dividend equivalents, the Company has calculated earnings per share pursuant to the two-class method, which is an earnings allocation formula that determines earnings per share for common stock and participating securities according to dividends declared and participation rights in undistributed earnings. Under this method, all outstanding nonvested shares that contain non-forfeitable rights to dividends or dividend equivalents that participate in undistributed earnings (distributed and undistributed) with common stock are allocated to common shares and considered participating securities based on their respective rights to receive dividends. Diluted net and are included in computing earnings per share is calculated by dividing net income attributable pursuant to common stockholders by the weighted average number of common stock and dilutive common stock outstanding during the period. Potential common shares in the diluted net earnings per share computation are excluded to the extent that they would be anti-dilutive.

	2023	2022	2021	2024	2023	2022
<b>Basic earnings per common share</b>						
Net income	\$ 23,723	\$ 38,609	\$ 30,691	\$ 56,151	\$ 23,723	\$ 38,609
Less income allocated to participating securities	528	741	503			
Less: Distributed and undistributed earnings allocated to nonvested shares				1,083	528	741
Net income allocated to common shareholders	\$ 23,195	\$ 37,868	\$ 30,188	\$ 55,068	\$ 23,195	\$ 37,868
Weighted average common shares outstanding	22,962,591	22,915,543	22,954,523	23,072,993	22,962,591	22,915,543
	\$ 1.01	\$ 1.65	\$ 1.31	\$ 2.39	\$ 1.01	\$ 1.65
<b>Earnings per common share assuming dilution</b>						
Net income	\$ 23,723	\$ 38,609	\$ 30,691			
Less income allocated to participating securities	528	741	503			
Net income allocated to common shareholders	\$ 23,195	\$ 37,868	\$ 30,188			
Weighted average common shares outstanding	22,962,591	22,915,543	22,954,523			
Incremental shares applicable to stock based compensation	-	1,281	10,209			
Weighted average common shares assuming dilution	22,962,591	22,916,824	22,964,732			
<b>Diluted earnings per common share</b>						
Net income allocated to common shareholders - basic				\$ 55,068	\$ 23,195	\$ 37,868
Add: Undistributed earnings allocated to nonvested shareholders				527	-	-
Net income allocated to common shareholders - diluted				\$ 55,595	\$ 23,195	\$ 37,868
Weighted average common shares outstanding - basic				23,072,993	22,962,591	22,915,543
Dilutive effect of participating securities				436,983	-	-
Weighted average common shares outstanding - diluted				23,509,976	22,962,591	22,915,543
	\$ 0.98	\$ 1.63	\$ 1.29	\$ 2.36	\$ 0.98	\$ 1.63

## 15. Commitments and Contingencies

In the ordinary course of business, the Company is engaged in various litigation including product liability and intellectual property disputes. However, the Company does not believe that any pending litigation will have a material adverse effect on its consolidated financial position, consolidated results of operations or liquidity. In addition, the Company is not currently a party to any environmental-related claims or legal matters.

## 16. Segments

The Company operates through two operating segments for which separate financial information is available, and for which operating results are evaluated regularly by the Company's chief operating decision maker in determining resource allocation and assessing performance.

The Company's chief operating decision maker is its Chief Operating Officer. The chief operating decision maker assesses performance for the Work Truck Attachments and Work Truck Solutions segments and decides how to allocate resources based on Adjusted EBITDA. The chief operating decision maker uses Adjusted EBITDA to evaluate profit generated by the segments in deciding where to reinvest profits, whether it be within the segments or for other purposes such as paying dividends, repurchasing stock, or other general corporate uses. The chief operating decision maker also uses segment Adjusted EBITDA as a metric in benchmarking performance against competitors, as well as in evaluating the compensation of certain employees.

The Company's two current reportable business segments are described below.

F- 4041

**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023, 2024, 2022, 2023 and 2021, 2022**  
(Dollars in Thousands Except Per Share Data)

**Work Truck Attachments.** The Work Truck Attachments segment includes the Company's operations that manufacture and sell snow and ice control attachments and other products sold under the FISHER®, WESTERN®, and SNOWEX® brands, as well as our its vertically integrated products.

**Work Truck Solutions.** The Work Truck Solutions segment includes manufactured municipal snow and ice control products under the HENDERSON® brand and the up-fit of market leading attachments and storage solutions under the HENDERSON® brand, and the DEJANA® brand and its related sub-brands.

Segment performance is evaluated based on segment net sales and Adjusted EBITDA. Separate financial information is available for the two operating segments. In addition, segment results include an allocation of all corporate costs to Work Truck Attachments and Work Truck Solutions. No single customer's revenues amounted to 10% or more of the Company's total revenue. Sales are primarily within the United States and substantially all assets are located within the United States.

Sales between Work Truck Attachments and Work Truck Solutions reflect the Company's intercompany pricing policy. The following table shows summarized financial information concerning the Company's reportable segments:

	2023	2022	2021	2024	2023	2022
Net sales						
Work Truck Attachments				\$ 256,010	\$ 291,723	\$ 382,296
Work Truck Solutions				312,494	276,455	233,772
				<u>\$ 568,504</u>	<u>\$ 568,178</u>	<u>\$ 616,068</u>
Selling, general and administrative expense						
Work Truck Attachments				\$ 53,124	\$ 43,176	\$ 50,583
Work Truck Solutions				38,558	35,665	31,600
				<u>\$ 91,682</u>	<u>\$ 78,841</u>	<u>\$ 82,183</u>
Other segment items (1)						
Work Truck Attachments	\$ 291,723	\$ 382,296	\$ 325,707	\$ 154,431	\$ 197,984	\$ 253,502
Work Truck Solutions	276,455	233,772	215,746	243,042	223,231	193,603
	<u>\$ 568,178</u>	<u>\$ 616,068</u>	<u>\$ 541,453</u>	<u>\$ 397,473</u>	<u>\$ 421,215</u>	<u>\$ 447,105</u>
Adjusted EBITDA						
Work Truck Attachments	\$ 50,563	\$ 78,211	\$ 77,369	\$ 48,455	\$ 50,563	\$ 78,211
Work Truck Solutions	17,559	8,569	2,167	30,894	17,559	8,569
	<u>\$ 68,122</u>	<u>\$ 86,780</u>	<u>\$ 79,536</u>	<u>\$ 79,349</u>	<u>\$ 68,122</u>	<u>\$ 86,780</u>
Depreciation and amortization expense						
Work Truck Attachments	\$ 13,431	\$ 12,901	\$ 11,937	\$ 9,844	\$ 13,431	\$ 12,901
Work Truck Solutions	8,231	8,037	8,379	8,046	8,231	8,037
	<u>\$ 21,662</u>	<u>\$ 20,938</u>	<u>\$ 20,316</u>	<u>\$ 17,890</u>	<u>\$ 21,662</u>	<u>\$ 20,938</u>
Assets						

Work Truck Attachments	\$ 392,920	\$ 397,557	\$ 384,566	\$ 367,979	\$ 392,920	\$ 397,557
Work Truck Solutions	200,498	199,334	187,910	222,004	200,498	199,334
	<u>\$ 593,418</u>	<u>\$ 596,891</u>	<u>\$ 572,476</u>	<u>\$ 589,983</u>	<u>\$ 593,418</u>	<u>\$ 596,891</u>
Capital expenditures						
Work Truck Attachments	\$ 6,459	\$ 9,526	\$ 10,434	\$ 5,493	\$ 6,459	\$ 9,526
Work Truck Solutions	3,307	2,876	1,447	2,271	3,307	2,876
	<u>\$ 9,766</u>	<u>\$ 12,402</u>	<u>\$ 11,881</u>	<u>\$ 7,764</u>	<u>\$ 9,766</u>	<u>\$ 12,402</u>
Adjusted EBITDA						
Work Truck Attachments	\$ 50,563	\$ 78,211	\$ 77,369	\$ 48,455	\$ 50,563	\$ 78,211
Work Truck Solutions	17,559	8,569	2,167	30,894	17,559	8,569
Total Adjusted EBITDA	<u>\$ 68,122</u>	<u>\$ 86,780</u>	<u>\$ 79,536</u>	<u>\$ 79,349</u>	<u>\$ 68,122</u>	<u>\$ 86,780</u>
Less items to reconcile Adjusted EBITDA to Income before taxes:						
Interest expense - net	15,675	11,253	11,839	15,260	15,675	11,253
Depreciation expense	11,142	10,418	9,634	10,370	11,142	10,418
Amortization	10,520	10,520	10,682	7,520	10,520	10,520
Gain on sale leaseback transaction				(42,298)	-	-
Stock based compensation	953	6,730	5,794	4,860	953	6,730
Impairment charges	-	-	1,211			
Loss on extinguishment of debt	-	-	4,936			
Other charges (1)	598	498	852			
Restructuring and severance costs				1,997	-	-
Impairment charges (2)				1,224	-	-
Sale leaseback transaction fees				5,257	-	-
Other charges (3)				1,268	598	498
Income before taxes	<u>\$ 29,234</u>	<u>\$ 47,361</u>	<u>\$ 34,588</u>	<u>\$ 73,891</u>	<u>\$ 29,234</u>	<u>\$ 47,361</u>

(1) Reflects includes cost of sales, other (income) expense, and the addback of depreciation expense, stock based compensation, impairment charges, gain on sale leaseback transaction, CEO transition fees, and unrelated legal, severance, restructuring, and consulting fees for the periods presented.

(2) Reflects impairment charges taken on certain internally developed software in the year ended December 31, 2024.

(3) Reflects unrelated legal and consulting fees, insurance proceeds, CEO transition costs, and, in 2021 and 2022, incremental costs incurred related to the COVID-19 pandemic for the periods presented.

#### Douglas Dynamics, Inc.

#### Notes to Consolidated Financial Statements (Continued)

Years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021 2022

(Dollars in Thousands Except Per Share Data)

#### 17. Stockholders' equity

##### Preferred Stock

The Company is authorized to issue 5,000,000 shares of preferred stock, par value \$0.01 per share. Subject to any limitations under law or the Company's certificate of incorporation, the Company's board of directors is authorized to provide for the issuance of the shares of preferred stock in one or more series; to establish the number of shares to be included in each series; and to fix the designation, powers, privileges, preferences, relative participating, optional or other rights (if any), and the qualifications, limitations or restrictions of the shares of each series. As of December 31, 2023 2024 and 2022 2023, no shares of preferred stock were issued and outstanding.

##### Common Stock

The Company has 200,000,000 shares of common stock authorized, of which ~~22,983,965~~<sup>23,094,047</sup> and ~~22,886,793~~<sup>22,983,965</sup> shares were issued and outstanding as of December 31, ~~2023~~<sup>2024</sup> and ~~2022~~<sup>2023</sup>, respectively. The par value of the common stock is \$0.01 per share.

The holders of common stock are entitled to one vote per share on all matters submitted to a vote of stockholders. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, common stockholders would be entitled to share ratably in the Company's assets and funds remaining after payment of liabilities.

#### 18. Valuation and qualifying accounts

The Company's valuation and qualifying accounts for the years ended December 31, ~~2023~~<sup>2024</sup>, ~~2022~~<sup>2023</sup> and ~~2021~~<sup>2022</sup> are as follows:

	Balance at Additions				Balance at Additions			
	beginning	charged to	Changes to	Balance at	beginning	charged to	Changes to	Balance at
	of year	earnings	reserve, net (1)	end of year	of year	earnings	reserve, net (1)	end of year
<b>Year ended December 31, 2024</b>								
Allowance for credit losses					\$ 1,646	\$ 702	\$ 24	\$ 2,372
Valuation of deferred tax assets					2,005	-	(495)	1,510
<b>Year ended December 31, 2023</b>								
Allowance for credit losses	\$ 1,366	\$ 320	\$ (40)	\$ 1,646	\$ 1,366	\$ 320	\$ (40)	\$ 1,646
Valuation of deferred tax assets	2,071	-	(66)	2,005	2,071	-	(66)	2,005
<b>Year ended December 31, 2022</b>								
Allowance for credit losses	\$ 2,970	\$ (1,476)	\$ (128)	\$ 1,366	\$ 2,970	\$ (1,476)	\$ (128)	\$ 1,366
Valuation of deferred tax assets	3,273	-	(1,202)	2,071	3,273	-	(1,202)	2,071
<b>Year ended December 31, 2021</b>								
Allowance for credit losses	\$ 2,929	\$ 67	\$ (26)	\$ 2,970				
Valuation of deferred tax assets	3,374	-	(101)	3,273				

(1) Increases (deductions) from the allowance for credit losses equal accounts receivable written off and increases related to acquired businesses, less recoveries, against the allowance. See Note 2 for additional information. Increases (deductions) to the valuation of deferred tax assets relate to the reversals due to changes in management's judgments regarding the future realization of the underlying deferred tax assets.

#### Douglas Dynamics, Inc.

#### Notes to Consolidated Financial Statements (Continued)

Years ended ~~December 31, 2023~~<sup>December 31, 2024</sup>, ~~2022~~<sup>2023</sup> and ~~2021~~<sup>2022</sup>

(Dollars in Thousands Except Per Share Data)

#### 19. Changes in Accumulated Other Comprehensive Income by Component

Changes to accumulated other comprehensive income by component for the year ended December 31, ~~2023~~<sup>2024</sup> is as follows:

Unrealized				Unrealized			Unrealized		
Net Gain (Loss)		Retiree		Net Gain (Loss)	Net Loss	Retiree	on Interest	on Steel	Health
on Interest		Health		on Interest	on Steel	Health	Rate	Hedging	Benefit
	Rate		Benefit						

	Swap	Obligation	Total	Swap	Instrument	Obligation	Total
Balance at December 31, 2022	\$ 6,115	\$ 3,013	\$ 9,128				
Other comprehensive gain before reclassifications	607	411	1,018				
Balance at December 31, 2023				\$ 3,331	\$ -	\$ 3,025	\$ 6,356
Other comprehensive gain (loss) before reclassifications				1,398	(40)	1,031	2,389
Amounts reclassified from accumulated other comprehensive income: (1)	(3,391)	(399)	(3,790)	(2,893)	-	(380)	(3,273)
Balance at December 31, 2023	<u>\$ 3,331</u>	<u>\$ 3,025</u>	<u>\$ 6,356</u>				
Balance at December 31, 2024				\$ 1,836	\$ (40)	\$ 3,676	\$ 5,472
(1) Amounts reclassified from accumulated other comprehensive income:							
Amortization of Other Postretirement Benefit items:							
Actuarial gains (a)	\$ (539)			\$ (514)			
Tax expense	140			134			
Reclassification net of tax	<u>\$ (399)</u>			<u>\$ (380)</u>			
Realized gains on interest rate swaps reclassified to interest expense	\$ (4,583)			\$ (3,910)			
Tax expense	1,192			1,017			
Reclassification net of tax	<u>\$ (3,391)</u>			<u>\$ (2,893)</u>			

(a) – These components are included in the computation of benefit plan costs in Note 12.

(a) – These components are included in the computation of benefit plan costs in Note 12.

F- 43 44

**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023, 2024, 2022, 2023 and 2021, 2022**  
(Dollars in Thousands Except Per Share Data)

Changes to accumulated other comprehensive income by component for the year ended December 31, 2022, 2023 is as follows:

	Unrealized			Unrealized		
	Net Loss		Retiree	Net Gain (Loss)		Retiree
	on Interest		Health	on Interest		Health
	Rate	Benefit		Rate	Benefit	
	Swap	Obligation	Total	Swap	Obligation	Total
Balance at December 31, 2021	\$ (3,524)	\$ 2,471	\$ (1,053)			
Balance at December 31, 2022				\$ 6,115	\$ 3,013	\$ 9,128
Other comprehensive gain before reclassifications	8,587	838	9,425	607	411	1,018
Amounts reclassified from accumulated other comprehensive income: (1)	1,052	(296)	756	(3,391)	(399)	(3,790)
Balance at December 31, 2022	<u>\$ 6,115</u>	<u>\$ 3,013</u>	<u>\$ 9,128</u>			
Balance at December 31, 2023				<u>\$ 3,331</u>	<u>\$ 3,025</u>	<u>\$ 6,356</u>

(1) Amounts reclassified from accumulated other comprehensive income:		
Amortization of Other Postretirement Benefit items:		
Actuarial gains (a)	\$ (400)	\$ (539)
Tax expense	104	140
Reclassification net of tax	<u><u>\$ (296)</u></u>	<u><u>\$ (399)</u></u>
Realized losses on interest rate swaps reclassified to interest expense	\$ 1,421	
Realized gains on interest rate swaps reclassified to interest expense		\$ (4,583)
Tax expense	(369)	1,192
Reclassification net of tax	<u><u>\$ 1,052</u></u>	<u><u>\$ (3,391)</u></u>

(a) – These components are included in the computation of benefit plan costs in Note 12.

## 20. Quarterly Financial Information (Unaudited)

	2023				2024			
	First	Second	Third	Fourth	First	Second	Third	Fourth
Net sales	\$ 82,545	\$ 207,267	\$ 144,121	\$ 134,245	\$ 95,655	\$ 199,902	\$ 129,398	\$ 143,549
Gross profit	\$ 11,275	\$ 61,363	\$ 32,129	\$ 29,503	\$ 18,920	\$ 61,303	\$ 30,875	\$ 35,739
Income (loss) before taxes	\$ (16,626)	\$ 30,736	\$ 6,929	\$ 8,195	\$ (9,943)	\$ 32,127	\$ 41,740*	\$ 9,967
Net income (loss)	\$ (13,110)	\$ 23,964	\$ 5,792	\$ 7,077	\$ (8,352)	\$ 24,338	\$ 32,258	\$ 7,907
Basic net earnings (loss) per common share attributable to common shareholders	\$ (0.58)	\$ 1.02	\$ 0.25	\$ 0.30				
Earnings (loss) per common share assuming dilution attributable to common shareholders	\$ (0.58)	\$ 1.01	\$ 0.24	\$ 0.29				
Basic earnings (loss) per common share					\$ (0.37)	\$ 1.03	\$ 1.37	\$ 0.33
Diluted earnings (loss) per common share					\$ (0.37)	\$ 1.02	\$ 1.36	\$ 0.33
Dividends per share	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30

\* Quarter was impacted by the gain on the sale leaseback transaction of \$42,298, offset by \$5,494 of associated transaction costs.

F- 44 45

**Douglas Dynamics, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years ended December 31, 2023, 2024, 2022, 2023 and 2021, 2022**  
(Dollars in Thousands Except Per Share Data)

	2022				2023			
	First	Second	Third	Fourth	First	Second	Third	Fourth
Net sales	\$ 102,601	\$ 187,561	\$ 166,100	\$ 159,806	\$ 82,545	\$ 207,267	\$ 144,121	\$ 134,245
Gross profit	\$ 21,064	\$ 51,233	\$ 41,269	\$ 37,890	\$ 11,275	\$ 61,363	\$ 32,129	\$ 29,503
Income (loss) before taxes	\$ (4,925)	\$ 23,090	\$ 16,175	\$ 13,021	\$ (16,626)	\$ 30,736	\$ 6,929	\$ 8,195
Net income (loss)	\$ (3,908)	\$ 17,725	\$ 13,280	\$ 11,512	\$ (13,110)	\$ 23,964	\$ 5,792	\$ 7,077

Basic net earnings (loss) per common share attributable to common shareholders	\$ (0.18)	\$ 0.76	\$ 0.57	\$ 0.49
Earnings (loss) per common share assuming dilution attributable to common shareholders	\$ (0.18)	\$ 0.75	\$ 0.56	\$ 0.49
Basic earnings (loss) per common share			\$ (0.58)	\$ 1.02
Diluted earnings (loss) per common share			\$ (0.58)	\$ 1.01
Dividends per share	\$ 0.29	\$ 0.29	\$ 0.29	\$ 0.30

Due to rounding as well as the timing of issuance of shares, the sum of quarterly earnings per share may not equal the annual earnings per share.

## 21. Restructuring and Impairment

In January 2024, the Company implemented the 2024 Cost Savings Program, primarily in the form of restructuring charges for headcount reductions in both the Work Truck Attachments segment and corporate functions. For the year ended December 31, 2024, \$1,997 in pre-tax restructuring charges were recorded related to workforce reduction costs and other related expenses and are included in Cost of sales and Selling, general, and administrative expense in the Consolidated Statements of Income. The Company's restructuring expenses are comprised of the following:

	Year Ended December 31, 2024
Severance and employee costs	\$ 930
Write down of property, plant and equipment	333
Legal, consulting and other costs	734
Total	<u><u>\$ 1,997</u></u>

The following table summarizes the changes in the Company's accrued restructuring balance, which are included in Accrued expenses and other current liabilities in the accompanying Consolidated Balance Sheets. Such costs have been substantially all paid as of December 31, 2024.

Balance at December 31, 2023	\$ -
Restructuring charges	1,445
Payments	(1,445)
Balance at December 31, 2024	<u><u>\$ -</u></u>

In conjunction with the 2024 Cost Savings Program, impairment charges of \$1,224 were recorded in the Consolidated Statements of Income for the year ended December 31, 2024 related to certain internally developed software at the Company's Work Truck Attachments segment representing the full capitalized value of the software. In addition, management evaluated its assets outside of the internally developed software described above and determined that there were no indicators of impairment.

## 22. Recent Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") ASU 2023-07-03, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures," "Disaggregation of Income Statement Expenses," which requires that entities disclose significant segment disaggregated disclosure of income statement expenses and enhances disclosure around segment reporting, into specified categories in disclosures within the footnotes to the financial statements. The standard is effective for annual periods beginning after December 15, 2023, 2026. The Company will adopt this standard in fiscal 2024. The Company has identified and is in the process of implementing changes to processes and controls to meet evaluating the standard's standard's updated reporting and disclosure requirements.

In December 2023, the FASB issued ASU 2023-09, "Improvements to Income Tax Disclosures," which enhances disclosure around income taxes. The standard is effective for annual periods beginning after December 15, 2024. The Company is in the process of evaluating the standard's updated disclosure requirements.

## 22.23. Subsequent Events

On January 29, 2024, 20, 2025, the Company entered into Amendment a floor plan line of credit for up to \$20,000 with a financial institution that expires on No. January 31, 2026. 3 to Credit Agreement ("Amendment No.3") by and among Under the floor plan agreement, the Company receives truck chassis and title for upfitting service installations. Upon upfit completion, the Borrowers, the financial institutions listed in Amendment No.3 as lenders, and JPMorgan Chase Bank, N.A., as administrative agent, which amended the Credit Agreement by modifying the minimum required Leverage Ratio (as defined in the Credit Agreement) of Douglas Dynamics, L.L.C, which is measured as of the last day of each Reference Period (as defined in the Credit Agreement), title transfers from 3.50 to 1.00 for each Reference Period to (i) 3.50 to 1.00 for each Reference Period ending on or prior to September 30, 2023, (ii) 4.25 to 1.00 for the Reference Period ending on December 31, 2023, (iii) 4.00 to 1.00 for each Reference Period ending on March 31, 2024 and June 30, 2024, and (iv) 3.50 to 1.00 for each Reference Period ending on September 30, 2024 and thereafter.

In January 2024, the Company implemented to the 2024 Cost Savings Program, which is primarily in the form of salaried headcount reductions and impacted both the Work Truck Attachments segment and corporate functions. The Company expects to incur restructuring expenses related to this program, primarily in the first quarter of 2024. note bears interest at prime, less 0.50%.

F-45 F-46

Exhibit 10.29 19.1

## AMENDED AND RESTATED EMPLOYMENT AGREEMENT

### DOUGLAS DYNAMICS, INC. INSIDER TRADING POLICY

This Amended(as amended July 26, 2023)

#### I. Introduction

Federal and Restated Employment Agreement ("state laws prohibit buying, selling or making other transfers of securities by persons who have material information that is not generally known or available to the public. These laws also prohibit persons with such information from disclosing it to others who trade.

In light of these prohibitions, Douglas Dynamics, Inc. (together with its subsidiaries, the "AgreementCompany") is entered into as of October 31, 2022 (the has adopted the following policy (this "Effective DatePolicy") regarding trading in securities by the Company, as well as its directors, officers, employees and between Robert McCormick, an individual consultants who have Material Nonpublic Information (as defined in Section II.B of this Policy).

You are responsible for ensuring that you do not violate federal or state securities laws or this Policy. We designed this Policy to promote compliance with the federal securities laws and to protect the Company and you from the serious liabilities and penalties that can result from violations of these laws.

If you violate the federal insider trading laws, you may have to pay civil fines for up to three times the profit gained or loss avoided by such trading, as well as criminal fines of up to \$5 million. You also may have to serve a jail sentence of up to 20 years. In addition, the Company could be subject to a civil fine of up to the greater of \$1 million, subject to adjustment for inflation, and three times the profit gained or loss avoided as a result of your insider trading violations, as well as a criminal fine of up to \$25 million.

The Securities and Exchange Commission ("ExecutiveSEC"), Douglas Dynamics, L.L.C., a Delaware limited liability company (the "New York Stock Exchange ("CompanyNYSE") and its governing body, the Financial Industry Regulatory Authority ("FINRA"), and Douglas Dynamics, Inc., a Delaware corporation state regulators (as well as the N.Y. Attorney General and the parent entity Department of Justice) are very effective at detecting and pursuing insider trading cases. The SEC has successfully prosecuted cases against employees trading through foreign accounts, trading by family members and friends, and trading involving only a small number of shares. Therefore, it is important that you understand the Company ("Douglas"). breadth of activities that constitute illegal insider trading. This Policy sets out the Company's policy in the area of insider trading and should be read carefully and complied with fully.

If you have any questions, please contact Sarah Lauber at (414) 362-3939 or [slauber@DouglasDynamics.com](mailto:slauber@DouglasDynamics.com).

#### II. Policies and Procedures

##### A. Trading Policy

###### 1. Employment by You may not trade in the Company.

a. **Full Time and Best Efforts.** Subject stock or other securities of any company when you are aware of Material Nonpublic Information about that company. This policy against "insider trading" applies to trading in Company securities, as well as to trading in the securities of other companies, such as the Company's distributors, suppliers, customers or other entities or firms with which the Company may be negotiating a major transaction. This policy applies to the terms set forth herein, the Company and Douglas, respectively, agree to continue to employ Executive as their President and Chief Executive Officer and in such other executive capacities as may be requested from time to time by the Company's or Douglas's Board of Directors (the "Board") or a duly authorized committee thereof, and Executive hereby accepts such continued employment. Executive shall render such other services for each of the Company and corporations that control, are controlled by or are under common control with the Company, as the case may be, and to successor entities and assignees of the Company, as the case may be (the "Affiliates") as the Company or the Board, as the case may be, may from time to time reasonably request and shall be consistent with the duties Executive itself when it is to perform for the Company and its Affiliates and with Executive's experience. During the term of his employment with the Company and its Affiliates, Executive will devote his full business time and use his best efforts to advance the business and welfare of the Company and its Affiliates, and will not engage in any other employment or business activities for any direct or indirect remuneration

that would be directly harmful or detrimental to, or that may compete with, the business and affairs of the Company or its Affiliates, or that would interfere with his duties hereunder.

b. Duties. Executive shall serve in an executive capacity and shall perform such duties as are customarily associated with his position, consistent with the bylaws or operating agreement of the Company and its Affiliates, as the case may be, and as reasonably required by the Board.

c. Company Policies. The employment relationship between the parties shall be governed by the general employment policies and practices of the Company and its Affiliates, including but not limited to those relating to protection of confidential information and assignment of inventions, except that when the terms of this Agreement differ from or are in conflict with the Company's general employment policies or practices, this Agreement shall control.

2. Compensation and Benefits.

a. Base Salary. Executive shall receive for services to be rendered hereunder a salary at the rate of \$721,000.00 per year, payable in approximately equal installments in accordance with the Company's regular payroll and subject to payroll deductions as may be necessary or customary in respect of the Company's salaried employees (the "Base Salary"). The Base Salary will be reviewed by and shall be subject to increase (but not decrease) at the sole discretion of the Board or the Compensation Committee of the Board each year during the term of this Agreement.

b. Participation in Benefit Plans; Vacation. During the term hereof, Executive shall be entitled to participate in any group insurance, hospitalization, medical, dental, health, accident, disability, 401(k) retirement savings plan or similar plan or program of the Company or its Affiliates now existing or established hereafter to the extent that he is eligible under the general provisions thereof. The Company or its Affiliates may, in its sole discretion and from time to time, amend, eliminate or establish additional benefit programs as it deems appropriate. Executive shall also participate in all fringe benefits, including without limitation annual vacation time, offered by the Company to any of its executives at such Executive's level. Notwithstanding anything otherwise provided under this Agreement, nothing contained herein shall obligate the Company or its Affiliates to continue or maintain any particular benefit plan or program on an ongoing basis.

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2. You may not convey Material Nonpublic Information about the Company or another company to others or suggest that anyone purchase or sell any company's securities while you are aware of Material Nonpublic Information about that company. This practice, known as "tipping", also violates the securities laws and can result in the same civil and criminal penalties that apply if you engage in insider trading directly, even if you do not receive any money or derive any benefit from trades made by persons to whom you passed Material Nonpublic Information. This policy against "tipping" applies to information about the Company and its securities, as well as to information about other companies. This policy does not restrict legitimate business communications on a "need to know" basis, where you have a basis to expect that the other person will not trade while aware of the information.

3. Bonus. It is against Company policy for you to engage in short term or speculative transactions in Company securities. As such, it is against Company policy for you to trade in puts or calls in Company securities, or sell Company securities short. Additionally, because securities held in a margin account or pledged as collateral may be sold without your consent if you fail to meet a margin call or if you default on a loan, a margin or foreclosure sale may result in unlawful insider trading. Because of this risk, you are prohibited from holding Company securities in a margin account or otherwise pledging Company securities as collateral for a loan.

a. Annual Incentive Plan. Executive shall be eligible for the Annual Incentive Plan, through the value of Company securities, you are also prohibited from engaging in any hedging or monetization transactions involving Company securities.

The foregoing restrictions apply to all directors, officers, employees and consultants. The restrictions also apply to anyone that lives in your household (other than household employees), corporations or other business entities controlled or managed by you, and trusts for which you are the trustee or have a beneficial pecuniary interest. The SEC and federal prosecutors may presume that trading by family members is based on information you supplied and may treat any such transactions as if you had traded yourself. There is no exception for small transactions or transactions that may seem necessary or justifiable for independent reasons, such as the need to raise money for an emergency expenditure.

For purposes of this Policy, references to "trading" and "transactions" include, among other things:

- purchases and sales of Company securities in public markets;
- sales of Company securities obtained through the exercise of employee stock options granted by the Company;
- making gifts of Company securities (including charitable donations); or
- using Company securities to secure a loan.

Conversely, references to "trading" and "transactions" do not include:

- the exercise of Company stock options if no shares are to be sold or if there is a "net exercise" (as defined below);
- the vesting of Company stock options, restricted stock or restricted stock units; or

- the withholding of shares to satisfy a tax withholding obligation upon the vesting of restricted stock or restricted stock units.

Therefore, you may freely exercise your stock options, engage in "net exercises" and have the Company awards performance-based cash bonuses withhold shares to satisfy you tax obligations without violating this Policy. Note that a "net exercise" (which is permitted) is the use of the underlying shares to pay the exercise price and/or tax withholding obligations, whereas a broker-assisted cashless exercise (which is not permitted) involves the broker selling some or all of the shares underlying the option on the open market.

During such time when the Company includes a Company stock fund as an annual calendar year basis provided investment option under the Company's 401(k) plan, this Policy will not apply to purchases of Company stock in the Company's 401(k) plan resulting from your periodic contributions of money to the plan pursuant to your payroll deduction election made while (1) you are not aware of Material Nonpublic Information and (2) if you are a Restricted Employee (as defined herein), the Window Period (as defined herein) is open. Any election that you make to (a) begin or terminate investing in the Company stock fund of the 401(k) plan, (b) increase or decrease the percentage of your periodic contributions that will be allocated to the Company stock fund of the 401(k) plan if that increase or decrease results in a change to the dollar amount of your periodic contribution used to purchase Company stock, (c) make an intra-plan transfer of an existing account balance into or out of the Company stock fund, (d) borrow money, to the extent otherwise permitted, against your 401(k) plan account if the loan will result in a liquidation of some or all of your Company stock fund balance, or (e) prepay a 401(k) plan loan if the prepayment will result in allocation of loan proceeds to the Company stock fund will be subject to this Policy, meaning that you may make such an election only while (1) you are not aware of Material Nonpublic Information and (2) if you are a Restricted Employee, the Window Period is open.

Directors, officers, employees and consultants should always consult Sarah Lauber if they have any questions.

#### B. **What is "Material Nonpublic Information"?**

##### 1. Material Information

Material information generally means information that there is a likelihood a reasonable investor would consider important in making an investment decision to buy, hold, or sell securities. Either positive or negative information may be material. Material information is not limited to historical facts but may also include projections and forecasts. Depending on the circumstances, common examples of information that may be material include:

- earnings, revenue, or similar financial information;
- unexpected financial results;
- unpublished financial reports or projections;
- extraordinary borrowing or liquidity problems;
- changes in control;
- changes in directors, senior management or auditors;
- information about current, proposed, or contemplated transactions, business plans, financial restructurings, acquisition targets or significant expansions or contractions of operations;
- changes in dividend policies or the declaration of a stock split or the proposed or contemplated issuance, redemption, or repurchase of securities;
- material defaults under agreements or actions by creditors, clients, or suppliers relating to a company's credit rating;
- information about major contracts;
- gain or loss of a significant customer or supplier;
- major new products or designs or significant advances in product development or price changes on major products;
- marketing changes;
- the interruption of production or other aspects of a company's business as a result of an accident, fire, natural disaster, or breakdown of labor negotiations or any major shut-down;
- labor negotiations;
- product recalls;
- major environmental incidents;
- bankruptcy or liquidity concerns or developments;
- institution of, or developments in, major litigation, investigations, or regulatory actions or proceedings; and
- the establishment of a repurchase program for Company securities.

Federal, state and NYSE (FINRA) investigators will scrutinize a questionable trade after the fact with the benefit of hindsight, so you should always err on the side of deciding that the information is material and not trade. If you have questions regarding specific transactions, please contact Sarah Lauber.

##### 2. Nonpublic Information

Nonpublic information is information that is not generally known or available to the public. We consider information to be available to the public only when:

- it has been released to the public by the Company through appropriate channels (e.g., by means of a press release or a widely disseminated statement from a senior officer); and
- enough time has elapsed to permit the investment market to absorb and evaluate the information. You should generally consider information to be nonpublic until two full trading days have lapsed following public disclosure. For example, if the Company discloses Material Nonpublic Information before the market opens on July 25, 2023, you may not trade until July 27, 2023 (two full trading days after the Company's release), so long as you do not have any additional Material Nonpublic Information after such release. If, however, the Company discloses Material Nonpublic Information after the market opens on July 25, 2023, you may not trade until July 28, 2023 (two full trading days after the Company's release), so long as you do not have any additional Material Nonpublic Information after such release.

#### C. Unauthorized Disclosure

All directors, officers, employees and consultants must maintain the confidentiality of Company information for competitive, security and other business reasons, as well as to comply with securities laws. All information you learn about the Company or its Affiliate, business plans is potentially nonpublic information until we publicly disclose it. You should treat this information as applicable, achieves performance targets established by confidential and proprietary to the Company's management Company. You may not disclose it to others, such as family members, other relatives, or business or social acquaintances.

Also, legal rules govern the timing and approved by nature of our disclosure of material information to outsiders or the Compensation Committee public. Violation of these rules could result in substantial liability for you, the Company and its management. For this reason, we permit only specifically designated representatives of the Board for such calendar year. Executive shall be eligible Company to participate at a target bonus level as determined by the Compensation Committee of the Board from time to time, which shall be no less than 100% of his Base Salary. Executive's participation in such plan shall be governed by the terms and conditions of the plan as then in effect.

b. If Executive resigns before the last day of a calendar year (other than for a Material Breach (as hereinafter defined)) or is discharged by discuss the Company for Cause (as hereinafter defined) before the last day of such calendar year, Executive will not be entitled to receive a performance-based bonus pursuant to Section 3(a) for such calendar year. If Executive's employment terminates prior to the last day of a calendar year for any other reason, Executive shall be entitled to receive a pro rata part of the performance-based bonus for such calendar year pursuant to Section 3(a) only if the Board, in its sole and absolute discretion, elects to pay a pro rata part of the performance-based bonus to Executive.

c. **Stock Incentive Plan.** Executive shall be eligible to participate in Douglas's 2010 Stock Incentive Plan (or any successor plan thereto), through which the Company grants equity awards to its key employees, pursuant to the separate terms and conditions of such plan, at a target level, as determined by the Board or the Compensation Committee of the Board. Any grants made to Executive under Douglas's 2010 Stock Incentive Plan (or any successor plan thereto) shall be subject to the terms and conditions of such plan and any applicable award agreements.

4. **Reasonable Business Expenses and Support.** Executive shall be reimbursed for documented and reasonable business expenses in connection with the performance of his duties hereunder, including appropriate professional fees news media, securities analysts and dues, investors and only in accordance with the Company's policies Guidelines for Public Disclosures and Communications with the Investment Community. If you receive inquiries of this nature, refer them to Sarah Lauber.

#### D. When and How to Trade Company Securities

##### 1. Overview

Directors and other participants in the Company's Long-Term Incentive Program as in effect designated from time to time. Executive shall be furnished reasonable office space, assistance, including an administrative assistant time (such other participants, "Restricted Employees") are for purposes of this Policy required to comply with the restrictions covered below. Even if you are not a director or a Restricted Employee, however, the following procedures listed below may assist you in complying with this Policy. These restrictions also apply, to the extent applicable to you, to anyone that lives in your household (other than household employees), any corporation or other business entities controlled or managed by you, and facilities, trusts for which you are the trustee or have a beneficial pecuniary interest.

##### 2. Window Periods

Directors and Restricted Employees may only trade in Company securities from the date that is two full trading days after the Company's earnings release to the end of business on the date that is two weeks prior to the end of each quarter (such period, the "Window Period"). If, however, the Window Period closes on a non-trading day (i.e., a Saturday, Sunday or NYSE holiday), the Window Period will close on the completion of the next full trading day.

5. **Termination** However, even if the Window Period is open, you may not trade in Company securities if you are aware of Employment Material Nonpublic Information about the Company. In addition, you must pre-clear all transactions in Company securities even if you initiate them when the Window Period is open.

From time to time the Company may close the Window Period due to Material Nonpublic Information developments. In such events, the Company may notify particular individuals that they should not engage in any transactions involving the purchase or sale of Company securities, and should not disclose to others the fact that the Window Period has been closed.

Even if the Window Period is closed, you may exercise Company stock options if no shares are to be sold (or exercise a tax withholding right pursuant to which you elect to have the Company withhold shares subject to an option to satisfy tax withholding obligations) – you may not, however, effect sales of stock issued upon the exercise of stock options (including same-day sales and cashless exercises). Generally, all pending purchase and sale orders regarding Company securities that could be executed while the Window Period is open must be executed or cancelled before it closes.

In light of these restrictions, if you expect a need to sell Company securities at a specific time in the future, you may wish to consider entering into a prearranged Rule 10b5-1(c) trading plan, as discussed below.

### 3. Preclearance

The Company requires its directors and Restricted Employees to contact the Chief Financial Officer in advance of effecting any purchase, sale or other trading of Company securities (including a stock plan transaction such as an option exercise, a gift, a loan, a contribution to a trust or any other transfer) and obtain prior approval of the transaction from the Chief Financial Officer. All requests must be submitted to the Chief Financial Officer (or, in the case of his or her absence, or for preclearance of trades by the Chief Financial Officer, to the Chief Executive Officer) at least two business days in advance of the proposed transaction. The Chief Financial Officer will then determine whether the transaction may proceed. **This preclearance policy applies even if you are initiating a transaction while a Window Period is open.**

If a transaction is approved under the preclearance policy, the transaction must be executed within five business days after the approval is obtained, but regardless may not be executed if you acquire Material Nonpublic Information concerning the Company during that time. If a transaction is not completed within the period described above, the transaction must be approved again before it may be executed.

If a proposed transaction is not approved under the preclearance policy, you should refrain from initiating any transaction in Company securities, and you should not inform anyone within or outside of the Company of the restriction.

Preclearance is not required for transactions effected pursuant to an approved Rule 10b5-1(c) trading plan.

### 4. Rule 10b5-1 Trading Plans

Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the "1934 Act") provides for an affirmative defense against insider trading liability if trades occur pursuant to a prearranged "trading plan" that meets specified conditions. **Because of the trading restrictions imposed on directors and Restricted Employees under this Policy, the Company will allow you, if you are a director or Restricted Employee only, to enter into a Rule 10b5-1 trading plan, provided that the plan complies with the requirements set forth below.**

Under this rule, if you enter into a binding contract, an instruction or a written plan that specifies the amount, price and date on which **Executive's employment by** securities are to be purchased or sold, and these arrangements are established at a time when you are not aware of Material Nonpublic Information, you may claim a defense to insider trading liability if the **Company ceases**, transactions under the trading plan occur at a time when you have subsequently learned Material Nonpublic Information. A plan effected in accordance with the rule may specify amount, price and date through a formula or may specify trading parameters which another person has discretion to administer, but you must not exercise any subsequent discretion affecting the transactions, and if your broker or any other person exercises discretion in implementing the trades, you must not influence his or her actions and he or she must not be aware of any Material Nonpublic Information at the time of the **following circumstances, shall trades. Trading plans can be defined herein as the "Termination Date."**

#### a. Termination established for Cause.

i. **Termination: Payment a single trade or a series of Accrued Salary and Vacation.** The Company or Douglas may terminate **Executive's employment** at any time for Cause, immediately upon notice to **Executive** of the circumstances leading to such termination for Cause. In the event that **Executive's employment** is terminated for Cause, **Executive** shall receive payment for all accrued salary and vacation time through the **Termination Date**, less requisite withholdings for tax and social security purposes, which in this event shall be the date upon which notice of termination is given. The Company and its Affiliates shall have no further obligation to pay severance of any kind whether under this Agreement or otherwise.

ii. **Definition** It is important that you properly document the details of Cause. **"Cause"** means a trading plan. Note that, in addition to the occurrence or existence requirements described above, there are a number of any of the following additional procedural conditions to Rule 10b5-1 that must be satisfied before you can rely on a trading plan as an affirmative defense against an insider trading charge. These requirements include that you act in good faith with respect to **Executive**, as determined by the plan, that you do not enter into or modify your plan while you are aware of Material Nonpublic Information, that you not enter into a plan to avoid the prohibition of Rule 10b5-1, and that you not enter into or alter a corresponding or hedging transaction or position. Because this rule is complex, the Company recommends that you work with a broker and, in good faith by a majority appropriate circumstances, your own financial and legal advisors to be sure you fully understand the limitations and conditions of the **disinterested** rule before you establish a trading plan.

All Rule 10b5-1 trading plans, contracts and instructions are required to be reviewed and approved by the Chief Financial Officer, as well as reviewed by our outside legal counsel, for compliance with Rule 10b5-1 and the Company's policies concerning such programs, prior to implementing any such plan, contract or instruction. In addition, all amendments, modifications and terminations of an existing Rule 10b5-1 trading plan must be reviewed and approved by the Chief Financial Officer, who may consult with our outside legal counsel, prior to effecting any such amendments, modifications or terminations.

There will be specific terms that must be included in a Rule 10b5-1 trading plan, including that, for directors and executive officers, the first trade may not occur under a Rule 10b5-1 trading plan until the later of (i) 90 days after the adoption of the Board: (a) a material breach by **Executive** of any of his material obligations hereunder which remains uncured after the lapse of thirty (30) days or (ii) two business days following the date that the Company or Douglas has given **Executive** written notice thereof; (b) a material breach by **Executive** of his duty not to engage in any transaction that represents, directly or indirectly, self-dealing with the Company or any of its Affiliates which has not been approved by a majority disclosure of the **disinterested** directors Company's financial results in a Form 10-Q or Form 10-K relating to the quarter in which

the plan was adopted, subject to a maximum of 120 days after adoption of the Board, if in any such case such material breach remains uncured after plan. For designated Restricted Employees who are not executive officers, the lapse of thirty (30) days following the date that the Company or Douglas has given Executive written notice thereof; (c) the repeated material breach by Executive of any material duty referred to in clause (a) or (b) above as to which at least two (2) written notices have been given pursuant to such clause (a) or (b); (d) any act of misappropriation, embezzlement, intentional fraud or similar conduct involving the Company or any of its Affiliates; (e) the conviction or the plea of *nolo contendere* or the equivalent in respect of first transaction under a felony involving moral turpitude; (f) intentional infliction of any damage of a material nature to any property of the Company or any of its Affiliates; or (g) the repeated non-prescription abuse of any controlled substance or the repeated abuse of alcohol or any other non-controlled substance which, in any case described in this clause, the Board reasonably determines renders Executive unfit to serve in his capacity as an officer or employee of the Company or its Affiliates.

b. Termination by Executive.

i. Termination Following Material Breach or for Good Reason.

(1) Executive shall have the right, at his election, other than during a Change of Control Protected Period (as hereinafter defined), to terminate his employment with the Company and its Affiliates, as applicable, by written notice to the Company to that effect if (A) the Company shall have failed to perform a material condition or covenant of this Agreement ("Material Breach"); provided, however, that termination for Material Breach will Rule 10b5-1 trading plan may not be effective occur until Executive shall have given written notice specifying the claimed breach and, provided such breach is curable, the Company fails to correct the claimed breach within thirty (30) days after the receipt of date upon which the applicable notice (but within ten (10) days if trading plan was established. Additionally, unless expressly approved by the failure to perform is Chief Financial Officer and our outside legal counsel, a failure to pay monies when due under the terms of this Agreement), director or (B) the Company repeatedly commits Restricted Employee may have only one trading plan in effect at a Material Breach as to which at least two (2) written notices have been given time.

Transactions pursuant to Rule 10b5-1(c) trading plans that are effected and approved in accordance with this Section 5(b)(i)(1). If Executive terminates his employment with Policy may occur notwithstanding the Company and its Affiliates pursuant to this Section 5(b)(i)(1), then Executive shall be entitled to receive the benefits provided in Section 5(d)(i)(1) hereof. other prohibitions included herein.

E. Certification

(2) During a Change

All directors, officers, employees and consultants will be required to certify their understanding of Control Protected Period, Executive may terminate his employment and intent to comply with the Company and its Affiliates, for Good Reason (as hereinafter defined). If Executive terminates his employment with the Company and its Affiliates pursuant to this Section 5(b)(i)(2), then Executive shall be entitled to receive the benefits provided in Section 5(d)(i)(2) hereof. Policy periodically.

F. Noncompliance

ii. Executive shall have the right, at his election,

Each director, officer, employee or consultant who fails to terminate his employment comply with the Company and its Affiliates for reason other than those set forth in Section 5(b)(i) by sixty (60) days' prior written notice this Policy or who refuses to certify that effect. In the event he or she has complied with it will be subject to disciplinary action which could include termination of termination by Executive pursuant to this Section 5(b)(ii), the Company and its Affiliates shall have no termination payment requirements except that Executive shall receive the accrued portion of any salary and vacation hereunder through the Termination Date, less requisite withholdings for tax and social security purposes. employment.

III. Additional Securities Law Matters

ii. Definitions of Change of Control, Change of Control Protected Period and Good Reason. For purposes of this Agreement:

A. Section 16

(1) **"Change of Control"** means the occurrence of one or more Directors, officers and greater than 10% beneficial owners of the following, whether accomplished directly or indirectly, or in one or Company's common stock (each, a series of related transactions: (a) Any person becomes "Section 16 Insider" will also be required to comply with the beneficial owner (as defined in Rule 13d-3 under the Securities Exchange Act of 1934) ("Beneficial Owner," reporting obligations and such beneficial ownership, "Beneficial Ownership"), directly or indirectly, of voting securities of Douglas representing 50% or more of the combined voting power of Douglas's then outstanding voting securities; (b) During any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Douglas and any new director (other than a director whose initial assumption of office occurs as a result of either an actual or threatened election contest or other actual or threatened tender offer, solicitation of proxies or consents by or limitations on behalf of a person other than the Board of Douglas) whose appointment, election, or nomination for election was approved by a vote of a majority of the directors then still in office who either were directors at the beginning of the period or whose appointment, election or nomination for election was previously so approved, cease for any reason to constitute a majority of the Board of Douglas; (c) A reorganization, merger, consolidation, recapitalization, tender offer, exchange offer or other extraordinary transaction involving the Company (a "Fundamental Transaction") becomes effective or is consummated, unless at least

50% of the outstanding voting securities of the surviving or resulting entity (including, without limitation, an entity which as a result of such transaction owns Douglas or all or substantially all of Douglas's assets either directly or through one or more subsidiaries) are, or are to be, Beneficially Owned, directly or indirectly, by all or substantially all of the persons who were the Beneficial Owners of the outstanding voting securities of Douglas immediately prior to such Fundamental Transaction in substantially the same proportions as their Beneficial Ownership, immediately prior to such Fundamental Transaction, of the outstanding voting securities of Douglas; or (d) A sale, transfer or any other disposition (including, without limitation, by way of spin-off, distribution, complete liquidation or dissolution) of all or substantially all of Douglas's business and/or assets to an unrelated third party is consummated. Notwithstanding the foregoing, a Change of Control shall not occur unless such transaction constitutes a change in the ownership of Douglas, a change in effective control of Douglas, or a change in the ownership of a substantial portion of Douglas' assets under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

(2) **"Change of Control Protected Period"** shall mean the twenty-four (24) month period immediately following a Change of Control.

(3) Executive's termination of employment shall be deemed for **"Good Reason"** if Executive terminates employment within sixty (60) days following the initial occurrence of (a) a material reduction in Executive's Base Salary; (b) a material adverse change in Executive's responsibilities; or (c) a required relocation of Executive's principal place of employment by more than thirty-five (35) miles from its location as in effect immediately prior to the Change of Control; provided, that Executive shall have provided written notice to the Company of his intention to resign for Good Reason and the grounds therefor within thirty (30) days following the initial occurrence of the event constituting Good Reason, the Company shall have failed to cure such event within thirty (30) days of receiving such notice.

c. **Termination Upon Disability.** The Company or Douglas may terminate Executive's employment in the event Executive suffers a disability that renders Executive unable to perform the essential functions of his position, even with reasonable accommodation, for sixty (60) consecutive days or for ninety (90) days within any one hundred eighty (180) day period. After the Termination Date, which in this event shall be the date upon which notice of termination is given, no further compensation will be payable under this Agreement except that Executive shall receive the accrued portion of any salary and vacation hereunder through the Termination Date, less requisite withholdings for tax and social security purposes.

d. **Termination by the Company Without Cause; Termination by Executive Pursuant to Section 5(b)(i).** The Company or Douglas may terminate Executive's employment at any time for other than Cause or disability, pursuant to the following termination payment requirements and upon not less than sixty (60) days' prior written notice to that effect.

i. **Termination Payments.**

(1) In the event that Executive's employment is terminated without Cause or by Executive pursuant to Section 5(b)(i)(1) hereof other than during a Change of Control Protected Period, and subject to Executive's execution of a release as described in Section 5(d)(ii), the Company shall pay Executive as severance an amount equal to the product of (x) 1.50 multiplied by (y) the sum of twelve (12) months of his Base Salary at the annual rate then in effect plus Executive's target annual bonus for the year of such termination (or, if Executive has not been awarded a target annual bonus for such year, Executive's target annual bonus for the prior year). Such remuneration shall be paid, less requisite withholdings for tax and social security purposes, over eighteen (18) months in monthly pro rata payments commencing within thirty (30) days following Executive's execution of the release (subject to any timing requirements short-swing transactions set forth in Section 5(d)(ii)). Executive shall also receive 16 of the accrued portion 1934 Act. The practical effect of these provisions is that (a) Section 16 Insiders will be required to report transactions in Company securities (usually within two business days of the date of the transaction) and (b) Section 16 Insiders who purchase and sell Company securities within a six-month period will be required to disgorge all profits to the Company whether or not they had knowledge of any salary and vacation hereunder through the Termination Date, less requisite withholdings for tax and social security purposes, paid promptly after such Termination Date in conformity with applicable law.

(2) In the event that Executive's employment is terminated by the Material Nonpublic Information. The Company or Douglas without Cause or by Executive for Good Reason pursuant has provided separate materials to Section 5(b)(i)(2) hereof during a Change of Control Protected Period, and subject to Executive's execution of a release as described in Section 5(d)(ii), the Company shall pay Executive as severance an amount equal to the product of (x) 2.25 multiplied by (y) the sum of his Base Salary at the annual rate then in effect (or, if higher, the Base Salary as in effect prior to the Change of Control) plus Executive's target annual bonus for the year of such termination (or, if Executive has not been awarded a target annual bonus for such year or Executive's target annual bonus for the year is lower than Executive's target annual bonus as in effect immediately prior to the Change of Control, the target annual bonus as in effect immediately prior to the Change of Control). Such remuneration shall be paid, less requisite withholdings for tax and social security purposes, subject to any required delay pursuant to Section 9(b), in a lump sum cash payment within sixty (60) days after such Termination Date (subject to any timing requirements set forth in Section 5(d)(ii)). Executive shall also receive the accrued portion of any salary and vacation hereunder through the Termination Date, less requisite withholdings for tax and social security purposes, paid promptly after such Termination Date in conformity with applicable law.

ii. Executive shall not be entitled to any of the payments described under this Section 5(d) unless and until Executive timely executes a release of claims in favor of the Company, Douglas, their affiliates and their officers and directors on a form provided to Executive by the Company and such release becomes effective (and irrevocable) no later than sixty (60) days following the Termination Date (the **"Release Execution Period"**). In the event the Release Execution Period begins in one taxable year and ends in another taxable year, any payments due pursuant to this Section 5(d) shall not begin until the second taxable year (and, in such event, the first installment payment shall include any amounts due hereunder that would have otherwise been paid to Executive during the Release Execution Period if the delay described in this Section 5(d)(ii) had not occurred).

iii. The Company shall not be obligated to pay any termination payments under Section 5(d)(i) above if Executive breaches in any material way the provisions of the Confidentiality Agreement (as defined below).

e. **Benefits Upon Termination.** All health and welfare benefits provided under Section 2(b) shall be extended, at Executive's timely and proper election and cost (such cost to Executive to be in the same amount as the cost for providing such benefits to existing employees), to the extent permitted by the Company's insurance policies and benefit plans, for eighteen (18) months after Executive's Termination Date, except (i) as required by law (e.g., COBRA health insurance continuation election) or (ii) in the event of a termination described in Section 5(a) or 5(f).

f. **Termination Upon Death.** If Executive dies while actively employed by the Company during the course of this Agreement, the Company shall (i) continue coverage of Executive's dependents (if any) under all health and welfare benefit plans or programs of the type listed above in Section 2(b) herein in which such dependent was enrolled (and subject to dependent's timely and proper election of any continuation benefits, as required under such plan and to the extent permitted by the Company's insurance policies and benefit plans) for a period of six (6) months and (ii) pay to Executive's estate the accrued portion of any salary and vacation through the Termination Date, less requisite withholdings for tax and social security purposes.

g. **Termination Upon Retirement.** Executive shall provide notice to the Company and the Board of his retirement prior to the expiration of the term of this Agreement not less than one hundred twenty (120) days prior to the effective date of Executive's retirement as set forth in such notice (the "Retirement Notice"). The Termination Date shall be the effective date of Executive's retirement as set forth in the Retirement Notice. After the Termination Date, no further compensation will be payable under this Agreement except that Executive shall receive (1) the accrued portion of any salary and vacation hereunder through the Termination Date and (2) a pro rata portion of the performance-based bonus for the calendar year in which the Termination Date occurs, equal to the total performance-based bonus that would have been payable had Executive remained employed for all of such calendar year multiplied by a fraction, the numerator of which is the number of days elapsing in such calendar year through the date Executive's employment terminates and the denominator of which is 365, payable in the calendar year following the performance period less, in the case of both (1) and (2), requisite withholdings for tax and social security purposes.

h. **Duty to Mitigate; Termination of Severance Benefits.** Executive agrees that upon any termination pursuant to either of Section 5(b) or 5(d) hereof, Executive shall have a duty to mitigate his damages hereunder. The Company and Executive further agree that if, at any time following such a termination but prior to the expiration of the period during which monthly severance benefits are to be paid by the Company with respect to such termination, Executive secures employment, such monthly severance benefits shall not be reduced by the amount of monthly compensation Executive is to receive from such new employment as long as Executive does not breach in any material way the provisions of the Confidentiality Agreement; *provided, however,* that if Executive breaches in any material way the provisions of the Confidentiality Agreement, the Company shall not be obligated to pay any such severance benefits in accordance with Section 5(d)(ii) above.

i. **Equity or Long-Term Incentive Awards.** Upon Executive's termination pursuant to this Section 5, Executive's rights (if any) to equity-related awards or long-term incentive awards that were granted to Executive prior to such termination shall be governed by the terms of the applicable plan and individual award or grant agreements related to any such award.

6. **Confidentiality and Noncompetition Agreement.** Executive and the Company hereby acknowledge that Executive and the Company have previously entered into a separate Confidentiality and Noncompetition Agreement governing matters related to confidential information, noncompetition, nonsolicitation of employees and assignment of inventions, among others, in connection with Executive's employment with the Company (the "Confidentiality Agreement"). Executive and the Company hereby ratify the terms of the Confidentiality Agreement and hereby agree that, notwithstanding the execution of this Agreement or the provisions of Section 7(c), the Confidentiality Agreement shall remain in full force and effect in accordance with the terms and conditions set forth therein.

7. **Miscellaneous.**

a. **Notices.** Any notices provided hereunder must be in writing and shall be deemed effective upon the earlier of two days following personal delivery (including personal delivery by telecopy or telex), or the fourth day after mailing by reputable overnight courier or registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

To the Company:

Douglas Dynamics, L.L.C.

7777 North 73rd Street

Milwaukee, Wisconsin 53223

Attention: Chief Financial Officer

Facsimile: (414) 354-5939

With a copy to:

Foley & Lardner LLP

777 East Wisconsin Avenue

Milwaukee, Wisconsin 53202

Attention: Bryan Schultz

Facsimile: (414) 297-4900

To Executive:

Robert McCormick

923 E. Kilbourn Ave

Apt 1902

Milwaukee, WI 53202

or to such other address or to the attention of such other person as the recipient party will have specified by prior written notice to the sending party.

b. **Severability.** Any provision of this Agreement which is deemed invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction and subject to this paragraph be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions hereof in such jurisdiction or rendering that or any other provisions of this Agreement invalid, illegal, or unenforceable in any other jurisdiction. If any covenant should be deemed invalid, illegal or unenforceable because its scope is considered excessive, such covenant shall be modified so that the scope of the covenant is reduced only to the minimum extent necessary to render the modified covenant valid, legal and enforceable.

c. **Entire Agreement.** This document, together with the Confidentiality Agreement, constitutes the final, complete, and exclusive embodiment of the entire agreement and understanding between the parties related to the subject matter hereof and supersedes and preempts any prior or contemporaneous understandings, agreements, or representations by or between the parties, written or oral.

d. **Counterparts.** This Agreement may be executed on separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same agreement.

e. **Successors and Assigns.** This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive, the Company and its Affiliates, related rules (see Memorandum re Section 16 Reporting Requirements, Deadlines and their respective successors and assigns, except that Executive may not assign any of his duties hereunder and he may not assign any of his rights hereunder without the prior written consent of the Company.

f. **Amendments[Liabilities].** No amendments or other modifications to this Agreement may be made except by a writing signed by all parties. No amendment or waiver of this Agreement requires the consent of any individual, partnership, corporation or other entity not a party to this Agreement. Nothing in this Agreement, express or implied, is intended to confer upon any third person any rights or remedies under or by reason of this Agreement.

g. **Choice of Law.** All questions concerning the construction, validity and interpretation of this Agreement will be governed by the laws of the State of Delaware without giving effect to principles of conflicts of law.

h. **Survivorship.** The provisions of this Agreement necessary to carry out the intention of the parties as expressed herein shall survive the termination or expiration of this Agreement.

i. **Waiver.** Except as provided herein, the waiver by either party of the other party's prompt and complete performance, or breach or violation, of any provision of this Agreement shall not operate nor be construed as a waiver of any subsequent breach or violation, and the failure by any party hereto to exercise any right or remedy which it may possess hereunder shall not operate nor be construed as a bar to the exercise of such right or remedy by such party upon the occurrence of any subsequent breach or violation.

j. **Captions.** The captions of this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision hereof.

k. **Construction.** The parties acknowledge that this Agreement is the result of arm's-length negotiations between sophisticated parties each afforded representation by legal counsel. Each and every provision of this Agreement shall be construed as though both parties participated equally in the drafting of the same, and any rule of construction that a document shall be construed against the drafting party shall not be applicable to this Agreement.

## 8. **Arbitration.**

a. Any disputes or claims arising out of or concerning Executive's employment or termination by the Company or Douglas, whether arising under theories of liability or damages based upon contract, tort or statute, shall be determined exclusively by arbitration before a single arbitrator in accordance with the employment arbitration rules of the American Arbitration Association ("AAA"), except as modified by this Agreement. The arbitrator's decision shall be final and binding on all parties. Judgment upon the award rendered by the arbitrator may be entered in any court of competent jurisdiction. In recognition of the fact that resolution of any disputes or claims in the courts is rarely timely or cost effective for either party, the Company and Executive enter this mutual agreement to arbitrate in order to gain the benefits of a speedy, impartial and cost-effective dispute resolution procedure.

b. Any arbitration shall be held in Executive's place of employment with the Company. The arbitrator shall be an attorney with substantial experience in employment matters, selected by the parties alternately striking names from a list of five such persons provided by the AAA office located nearest to the place of employment, following a request by the party seeking arbitration for a list of five such attorneys with substantial professional experience in employment matters. If either party fails to strike names from the list, the arbitrator shall be selected from the list by the other party.

c. Each party shall have the right to take the depositions of a maximum of three individuals, as deemed appropriate by such party. Each party shall also have the right to propound requests for production of documents to any party and the right to subpoena documents and witnesses for the arbitration. Additional discovery may be made only where the arbitrator selected so orders upon a showing of substantial need. The arbitrator shall have the authority to entertain a motion to dismiss and/or a motion for summary judgment by any party and shall apply the standards governing such motions under the Federal Rules of Civil Procedure.

d. The Company and Executive agree that they will attempt, and they intend that they and the arbitrator should use their best efforts in that attempt, to conclude the arbitration proceeding and have a final decision from the arbitrator within one hundred twenty (120) days from the date of selection of the arbitrator; provided, however, that the arbitrator shall be entitled to extend such one hundred twenty (120) day period for a total of two one hundred twenty (120) day periods. The arbitrator shall immediately deliver a written award with respect to the dispute to each of the parties, who shall promptly act in accordance therewith.

e. The Company shall pay the fees and expenses of the arbitrator. Each party shall pay its own attorney fees and costs including, without limitation, fees and costs of any experts. However, attorney fees and costs incurred by the party that prevails in any such arbitration commenced pursuant to this Section 8 or any judicial action or proceeding seeking to enforce the agreement to arbitrate disputes as set forth in this Section 8 or seeking to enforce any order or award of any arbitration commenced pursuant to this Section 8 may be assessed against the party or parties that do not prevail in such arbitration in such manner as the arbitrator or the court in

such judicial action, as the case may be, may determine to be appropriate under the circumstances. Any controversy over whether a dispute is an arbitrable dispute or as to the interpretation or enforceability of this paragraph with respect to such arbitration shall be determined by the arbitrator.

f. In a contractual claim under this Agreement, the arbitrator shall have no authority to add, delete or modify any term of this Agreement.

g. In the event that more than one dispute is submitted to arbitration by the Company or Executive pursuant to any agreement between the Company or its Affiliates and Executive, including under this Agreement, and one or more additional agreements to which the Company or its Affiliates and Executive are parties, all such matters shall be consolidated into a single arbitration proceeding so as to avoid, to the extent possible, more than one simultaneous arbitration proceeding between the Company or its Affiliates and Executive.

9. **409A Compliance.**

a. The parties agree that this Agreement is intended to comply with the requirements of Section 409A of the Code and the regulations and guidance promulgated thereunder ("**Section 409A**") or an exemption from Section 409A. The Company shall undertake to administer, interpret, and construe this Agreement in a manner that does not result in the imposition on Executive of any additional tax, penalty, or interest under Section 409A, *provided, however,* that Executive understands and agrees that the Company shall not be held liable or responsible for any taxes, penalties, interests or other expenses incurred by Executive on account of non-compliance with Section 409A.

b. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." Notwithstanding anything to the contrary in this Agreement, if Executive is deemed on the date of termination to be a "specified employee" within the meaning of that term under Section 409A(a)(2)(B) of the Code, then with regard to any payment or the provision of any benefit that is considered deferred compensation under Section 409A payable on account of a "separation from service," and that is not exempt from Section 409A as involuntary separation pay or a short-term deferral (or otherwise), such payment or benefit shall be made or provided at the date which is the earlier of (i) the expiration of the six (6)-month period measured from the date of such "separation from service" of Executive or (ii) the date of Executive's death (the "**Delay Period**"). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this Subsection 9(b) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to Executive in a lump sum without interest, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein. For purposes of Section 409A, Executive's right to receive any installment payments under this Agreement shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment.

c. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A, all such payments shall be made on or before the last day of calendar year following the calendar year in which the expense occurred.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date set forth above.

B.

/s/ Robert McCormick

By: Robert McCormick Rule 144

Date: October 31, 2022

DOUGLAS DYNAMICS, L.L.C

/s/ Sarah Lauber

By: Sarah Lauber

Its: Chief Financial Officer

Date: October 31, 2022

DOUGLAS DYNAMICS, INC.

/s/ Sarah Lauber

By: Sarah Lauber

Its: Chief Financial Officer

Date: October 31, 2022

If you are a director or executive officer, you may be deemed to be an "affiliate" of the Company. Consequently, shares of Company common stock held by you may be considered to be "restricted securities" or "control securities", the sale of which are subject to compliance with Rule 144 under the Securities Act of 1933, as amended (or any other applicable exemption under the federal securities laws). If this is the case, note that Rule 144 places limits on the number of shares you may be able to sell and provides that certain procedures must be followed before you can sell shares of Company common stock. Contact Sarah Lauber for more information on Rule 144.

ACKNOWLEDGEMENT AND AGREEMENT

The undersigned hereby acknowledges receipt of the Douglas Dynamics, Inc. Insider Trading Policy and that the undersigned has read and understands such policy and agrees to abide by the terms of such policy.

\_\_\_\_\_  
Signature \_\_\_\_\_ Date: \_\_\_\_\_

Name (Please Print)

10

Exhibit 21.1

Subsidiary List

Douglas Dynamics, L.L.C., a Delaware limited liability company

Douglas Dynamics Finance Company, a Delaware corporation

Fisher, LLC, a Delaware limited liability company

Trynex International, LLC, a Delaware limited liability company

Henderson Enterprises Group, Inc., a Delaware corporation

Henderson Products, Inc., a Delaware corporation

Dejana Truck & Utility Equipment Company, LLC, a Delaware limited liability company

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in Registration Statement No. 333-255738 on Form S-3 and Registration Statement Nos. 333-279007, 333-169342 and 333-184781 on Form S-8 of our report dated February 27, 2024 25, 2025, relating to the financial statements of Douglas Dynamics, Inc., and the effectiveness of Douglas Dynamics, Inc.'s internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2023 2024.

Milwaukee, Wisconsin

/s/ Deloitte & Touche LLP

Milwaukee, Wisconsin

February 27, 2024 25, 2025

**Certification of Chief Executive Officer**  
**Pursuant to Section 302 of the Sarbanes-Oxley Act and Rule 13a-14(a)**  
**or 15d-14(a) under the Securities Exchange Act of 1934**

I, **Robert McCormick, James L. Janik**, certify that:

1. I have reviewed this Annual Report on Form 10-K of Douglas Dynamics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2024

/s/ **ROBERT McCORMICK JAMES L. JANIK**

**Robert McCormick James L. Janik**

*Interim President and Chief Executive Officer*

**Certification of Chief Financial Officer**  
**Pursuant to Section 302 of the Sarbanes-Oxley Act and Rule 13a-14(a)**  
**or 15d-14(a) under the Securities Exchange Act of 1934**

I, Sarah Lauber, certify that:

1. I have reviewed this Annual Report on Form 10-K of Douglas Dynamics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2024

/s/ SARAH LAUBER

Sarah Lauber

*Executive Vice President & Chief Financial Officer*

**Exhibit 32.1**

Written Statement of the Chief Executive Officer and Chief Financial Officer  
**Pursuant to 18 U.S.C. Section 1350**

Solely for the purposes of complying with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, we, the undersigned Chief Executive Officer and Chief Financial Officer of Douglas Dynamics, Inc. (the "Company"), hereby certify, based on our knowledge, that the Annual Report on Form 10-K of the Company for the year ended December 31, 2023 2024 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ ROBERT McCORMICK JAMES L. JANIK

Robert McCormick James L. Janik

*Interim President and Chief Executive Officer*

/s/ SARAH LAUBER

Sarah Lauber

*Executive Vice President & Chief Financial Officer*

Date: February 27, 2024 25, 2025

Exhibit 97.1

**Douglas Dynamics, Inc. Compensation Recovery Policy**

**Effective October 2, 2023**

1. **Purpose.** The purpose of this Compensation Recovery Policy (this "Policy") is to describe the circumstances under which Douglas Dynamics, Inc. (the "Company") is required to recover certain compensation paid to certain employees.
2. **Recovery of Compensation.** In the event that the Company is required to prepare an Accounting Restatement, the Company shall recover reasonably promptly the amount of Erroneously Awarded Compensation.
3. **Definitions.** For purposes of this Policy, the following terms, when capitalized, shall have the meanings set forth below:
  - (a) "*Accounting Restatement*" shall mean any accounting restatement required due to material noncompliance of the Company with any financial reporting requirement under the securities laws, including to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.
  - (b) "*Covered Officer*" shall mean the Company's president; principal financial officer; principal accounting officer (or if there is no such accounting officer, the controller); any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance); any other officer who performs a significant policy-making function; or any other person who performs similar significant policy-making functions for the Company.
  - (c) "*Effective Date*" shall mean October 2, 2023.
  - (d) "*Erroneously Awarded Compensation*" shall mean the excess of (i) the amount of Incentive-Based Compensation Received by a person (A) after beginning service as a Covered Officer, (B) who served as a Covered Officer at any time during the performance period for that Incentive-Based Compensation, (C) while the Company has a class of securities listed on a national securities exchange or a national securities association and (D) during the Recovery Period; over (ii) the Recalculated Compensation.
  - (e) "*Incentive-Based Compensation*" shall mean any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a financial reporting measure. A financial reporting measure is a measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures that are derived wholly or in part from such measures, regardless of whether such measure is presented within the financial statements or included in a filing with the Securities Exchange Commission. Each of stock price and total shareholder return is a financial reporting measure. For the avoidance of doubt, incentive-based compensation subject to this Policy does not include stock options, restricted stock, restricted stock units or similar equity-based awards for which the grant is not contingent upon achieving any financial reporting measure performance goal and vesting is contingent solely upon completion of a specified employment period and/or attaining one or more non-financial reporting measures.

(f) "Recalculated Compensation" shall mean the amount of Incentive-Based Compensation that otherwise would have been Received had it been determined based on the restated amounts in the Accounting Restatement, computed without regard to any taxes paid. For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of the Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement, the amount of the Recalculated Compensation must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return, as the case may be, on the compensation Received. The Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to the national securities exchange or association on which its securities are listed.

(g) Incentive-Based Compensation is deemed "Received" in the Company's fiscal period during which the financial reporting measure specified in the award of such Incentive-Based Compensation is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period.

(h) "Recovery Period" shall mean the three completed fiscal years of the Company immediately preceding the date the Company is required to prepare an Accounting Restatement; provided that the Recovery Period shall not begin before the Effective Date. For purposes of determining the Recovery Period, the Company is considered to be "required to prepare an Accounting Restatement" on the earlier to occur of: (i) the date the Company's board of directors, a committee thereof, or the Company's authorized officers conclude, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement. If the Company changes its fiscal year, then the transition period within or immediately following such three completed fiscal years also shall be included in the Recovery Period, provided that if the transition period between the last day of the Company's prior fiscal year end and the first day of its new fiscal year comprises a period of nine to 12 months, then such transition period shall instead be deemed one of the three completed fiscal years and shall not extend the length of the Recovery Period.

4. Exceptions. Notwithstanding anything to the contrary in this Policy, recovery of Erroneously Awarded Compensation will not be required to the extent the Company's committee of independent directors responsible for executive compensation decisions (or a majority of the independent directors on the Company's board of directors in the absence of such a committee) has made a determination that such recovery would be impracticable and one of the following conditions have been satisfied:

(a) The direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered; provided that, before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation that was Incentive-Based Compensation based on the expense of enforcement, the Company must make a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempt(s) to recover, and provide that documentation to the national securities exchange or association on which its securities are listed.

(b) Recovery would violate home country law where, with respect to Incentive-Based Compensation, that law was adopted prior to November 28, 2022; provided that, before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation that was Incentive-Based Compensation based on violation of home country law, the Company must obtain an opinion of home country counsel, acceptable to the national securities exchange or association on which its securities are listed, that recovery would result in such a violation, and must provide such opinion to the exchange or association.

(c) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

5. Manner of Recovery. In addition to any other actions permitted by law or contract, the Company may take any or all of the following actions to recover any Erroneously Awarded Compensation: (a) require the Covered Officer to repay such amount; (b) offset such amount from any other compensation owed by the Company or any of its affiliates to the Covered Officer, regardless of whether the contract or other documentation governing such other compensation specifically permits or specifically prohibits such offsets; and (c) subject to Section 4(c), to the extent the Erroneously Awarded Compensation was deferred into a plan of deferred compensation, whether or not qualified, forfeit such amount (as well as the earnings on such amounts) from the Covered Officer's balance in such plan, regardless of whether the plan specifically permits or specifically prohibits such forfeiture. If the Erroneously Awarded Compensation consists of shares of the Company's common stock, and the Covered Officer still owns such shares, then the Company may satisfy its recovery obligations by requiring the Covered Officer to transfer such shares back to the Company.

6. Other.

(a) Any references in compensation plans, agreements, equity awards or other policies to the Company's "recoupment", "clawback" or similarly-named policy shall be deemed to refer to this Policy with respect to Incentive-Based Compensation Received on or after the Effective Date. With respect to Incentive-Based Compensation Received prior to the Effective Date, such references to the Company's "recoupment", "clawback" or similarly-named policy in compensation plans, agreements, equity awards or other policies shall be deemed to refer to the Company's "recoupment," "clawback" or similarly-named policy, if any, in effect prior to the Effective Date.

- (b) This Policy shall be administered and interpreted, and may be amended from time to time, by the Company's board of directors or any committee to which the board may delegate its authority in its sole discretion in compliance with the applicable listing standards of the national securities exchange or association on which the Company's securities are listed, and the determinations of the board or such committee shall be binding on all Covered Officers.
- (c) The Company shall not indemnify any Covered Officer against the loss of Erroneously Awarded Compensation.
- (d) The Company shall file all disclosures with respect to this Policy in accordance with the requirements of the Federal securities laws, including disclosure required by the Securities Exchange Commission filings.
- (e) Any right to recovery under this Policy shall be in addition to, and not in lieu of, any other rights of recovery that may be available to the Company.

4

#### DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

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