

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

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2025
or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 001-38704

STAR EQUITY HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

59-3547281
(IRS Employer Identification No.)

53 Forest Avenue, Suite 101, Old Greenwich, CT 06870
(Address of principal executive offices) (Zip Code)
(203) 489-9500
(Registrant's telephone number, including area code)

Title of each class	Securities registered pursuant to Section 12(b) of the Act: Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.001 par value	STRR	The NASDAQ Stock Market LLC
Series A Preferred Stock, \$0.001 par value	STRRP	The NASDAQ Stock Market LLC
Preferred Share Purchase Rights		

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 15(d) of the Securities 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 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, a smaller reporting company, or an emerging growth company. See definition of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

The aggregate market value of the voting common stock held by non-affiliates of the registrant was approximately \$12,181,784 based on the closing price of the Common Stock on the NASDAQ Global Select Market on June 30, 2025.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding on 03/13/2026
Common Stock - \$0.001 par value	3,707,060

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PART I

ITEM 1. BUSINESS

General

Star Equity Holdings, Inc. (“Star Equity,” “Star,” the “Company,” “we,” or “our,” formerly known as Hudson Global, Inc. (“Hudson”)) is a diversified multi-industry holding company operating through four reportable segments: Building Solutions, Business Services, Energy Services, and Investments. Our common stock and 10% Series A Cumulative Perpetual Preferred Stock are listed on the Nasdaq Global Market under the symbols “STRR” and “STRRP,” respectively.

The Building Solutions segment operates in the construction industry. The Business Services segment, which consists of Hudson Talent Solutions, LLC (“HTS”), delivers customized recruitment and contracting solutions to mid-to-large multinational companies, including Recruitment Process Outsourcing (“RPO”), project-based RPO, contingent workforce solutions, recruitment consulting, outsourced professional contract staffing, and managed service provider (“MSP”) services. The Energy Services segment consists of Alliance Drilling Tools, Inc. (“ADT”), which manufactures and supplies specialized drilling tools and downhole equipment used in directional drilling for oil and gas well construction as well as other applications, including mining, geothermal, and water wells. The Investments segment holds and manages certain corporate-owned real estate assets and investments in a limited number of publicly traded and private companies.

Merger

On August 22, 2025, Star completed its previously announced acquisition of Star Operating Companies, Inc. (“SOC” or “Star Operating Companies”, formerly known as Star Equity Holdings, Inc.) pursuant to the Agreement and Plan of Merger, dated as of May 21, 2025 (the “Merger Agreement”), by and among Star, SOC and HSON Merger Sub, Inc., a wholly owned subsidiary of Star (“Merger Sub”). Upon the terms and subject to the conditions of the Merger Agreement, on August 22, 2025, at the effective time (the “Effective Time”) of the closing of the transaction pursuant to the Merger Agreement (the “Merger”), Merger Sub merged with and into SOC, with SOC continuing as the surviving corporation of the Merger under the name “Star Operating Companies, Inc.” as a wholly owned subsidiary of Star. Capitalized terms used herein but not defined have the meanings set forth in the Merger Agreement.

Pursuant to the terms of the Merger Agreement, at the Effective Time, (i) each share of common stock of SOC issued and outstanding immediately prior to the Effective Time (other than certain shares as set forth in the Merger Agreement) were automatically converted into the right to receive 0.23 shares of Star common stock and (ii) each share of preferred stock of SOC issued and outstanding immediately prior to the Effective Time (other than certain shares set forth in the Merger Agreement) were automatically converted into the right to receive one (1) share of Star 10% Series A Cumulative Perpetual preferred stock (“Preferred Stock”). As a result of the Merger, former SOC common stockholders received approximately 744,291 shares of Star common stock for their SOC common shares and former SOC preferred stock stockholders received approximately 2,690,637 shares of Star Preferred Stock. No fractional shares of Star common stock were issued in the Merger, and SOC stockholders became entitled to receive cash in lieu of fractional shares in accordance with the Merger Agreement.

In addition, pursuant to the terms of the Merger Agreement, at the Effective Time, each award of SOC restricted stock units (“RSUs”) outstanding immediately prior to the Effective Time was converted into Star RSUs issued under the Hudson Global, Inc. 2009 Incentive Stock and Awards Plan, as amended (the “Plan”), in accordance with the Merger Agreement.

Amendment to Certificate of Incorporation

On September 4, 2025, Star Equity filed a certificate of amendment (the “Amendment”) to the Company’s Amended and Restated Certificate of Incorporation, as Amended (the “Charter”), to change the name of the Company from Hudson Global, Inc. to Star Equity Holdings, Inc. (the “Name Change”). The Name Change was approved by the Company’s Board of Directors (the “Board”) on September 2, 2025, and became effective at 12:01 a.m. (Eastern Time) on September 5, 2025.

Strategy

Star Equity Holdings, Inc.

Star Equity Holdings, Inc. operates as a diversified holding company. Corporate management focuses on capital allocation, strategic oversight, mergers and acquisitions, capital markets activities, investor relations, and oversight of the Investments segment. Operating subsidiaries are responsible for day-to-day operations, organic growth initiatives, and operational performance.

The Company periodically evaluates strategic alternatives intended to enhance its market position, improve profitability, generate liquidity, and increase shareholder value. Such alternatives may include organic growth initiatives, selective acquisitions, divestitures, business combinations, equity offerings, debt financings, and corporate restructurings. The timing and structure of any such transactions depend on market conditions, available capital, valuation considerations, and other relevant factors.

Operating Businesses

The Company operates in markets that management believes offer opportunities for growth. The principal elements of the Company's growth strategy include the following:

- **Organic growth from our core businesses.** The Company operates in markets and geographies that management believes provide opportunities for growth in its core businesses. The Company's primary focus is on markets in which it currently maintains a presence, allowing it to leverage existing personnel, infrastructure, and brand recognition.
- **Expansion of service offerings.** The Company evaluates opportunities to broaden its service offerings to better serve its customer base, including expansion into adjacent market segments and complementary services.
- **Acquisition of complementary businesses.** The Company intends to continue evaluating complementary businesses that meet its financial and strategic acquisition criteria. Potential targets may include small public and private companies that can be integrated into the Company's existing platform, as well as larger, more transformative transactions, subject to assessments of value, risk, and expected return. The timing and structure of any such transactions will depend on market conditions, availability of capital, valuation considerations, and other relevant factors. The Company does not intend to pursue transactions unless management determines that the anticipated post-transaction value creation is favorable to stockholders.

Segments

The Company operates four segments: Building Solutions, Business Services, Energy Services, and Investments. Building Solutions includes KBS Builders, Inc. ("KBS"), EdgeBuilder, Inc. ("EdgeBuilder"), Glenbrook Building Supply, Inc. ("Glenbrook") (together, "EBGL"), and Timber Technologies Solutions, Inc. ("TT"), which manufacture modular buildings, structural wall panels, engineered wood products, and glue-laminated timber for residential, commercial, and industrial markets. The Business Services segment consists of Hudson Talent Solutions ("HTS") and provides RPO, contingent workforce solutions, recruitment consulting, outsourced professional contract staffing, and MSP services across eighteen countries across three geographic regions: the Americas, Asia Pacific, and Europe, Middle East, and Africa. The Energy Services segment consists of ADT, a Wyoming- and Texas-based provider of downhole drilling tools and services to the oil and gas, geothermal, mining, and waterwell sectors, with a cost structure that allows most variable costs to be passed through to customers. The Investments segment holds and manages certain corporate-owned real estate assets and investments in a limited number of publicly traded and private companies.

Our reportable segments are based upon our internal organizational structure, the manner in which our operations are managed, the criteria used by our Chief Executive Officer (Chief Operating Decision Maker or "CODM") to evaluate segment performance, the availability of separate financial information, and overall materiality considerations. See Note 17. Segments, within the notes to our accompanying consolidated financial statements.

We continue to explore strategic alternatives to maximize value for the Company's stockholders, including, without limitation, improving the market position and profitability of our services and enhancing our valuation. We may pursue these objectives through organic growth, strategic initiatives, or other alternatives.

In addition, we will continue to monitor capital markets for opportunities to repurchase shares and consider other actions designed to enhance stockholder value. From time to time, we also review potential acquisition or business combination opportunities and may provide information to third parties regarding potential dispositions of assets or business lines.

Clients

The Company serves a diverse client base across multiple industries through its operating segments, including construction, energy, and global talent solutions, with customers that include mid-to-large multinational corporations, commercial contractors, energy companies, and government agencies. For the years ended December 31, 2025 and 2024, approximately 73% and 85% of revenue, respectively, was generated by its top 25 clients. In 2025, one client accounted for 23% of revenue, while in 2024 three clients accounted for an aggregate of 46% of revenue. As of December 31, 2025 and 2024, one client represented approximately 14% and 24% of accounts receivable, respectively. Our business is dependent upon the continuation of these business relationships as well as new client development. As part of our client retention and renewal strategy, we continue to develop and foster long-term relationships, and have been successful in retaining and negotiating multi-year (three to five year) contracts with most of our key partners.

Competition

The markets for our Business Services, Energy Services, and Building Solutions segments are highly competitive and, in certain cases, characterized by limited barriers to entry and market fragmentation. Competition is based on factors such as industry expertise, product and service quality, geographic reach, operational scale, pricing, and the ability to efficiently execute and deliver projects. In our Energy Services segment, demand is closely tied to oil prices, as customer drilling activity and capital spending are influenced by prevailing market conditions. In our Building Solutions segment, activity levels are influenced by broader construction trends, interest rates, and access to project financing. Companies with greater scale, operational efficiencies, and differentiated capabilities may achieve competitive advantages and improved margins across these markets.

Intellectual Property

Intellectual property in our businesses primarily consists of trademarks held.

Patents

We do not hold any patents within our businesses.

Raw Materials

Building Solutions.

KBS, EBGL and TT operate in the wood-based construction market. The primary raw materials used in their production processes include dimensional lumber, mainly spruce-pine-fir, and sheathing/sheet goods (OSB and plywood). The majority of underlying raw material for KBS, EBGL, and TT are sourced by wholesalers and mills in the United States, though from time to time limited quantities are also sourced from Canada. These businesses depend on the reliability of the lumber supply chain and are sensitive to varying degrees to wood-based commodity price fluctuations.

Raw materials are not material to the operations of the Company's other business segments.

Manufacturing

Building Solutions.

KBS began manufacturing single family homes in 2001 and commercial modular multi-family housing units in 2008. In subsequent years, KBS expanded its product offerings to include a variety of commercial-scale multi-family buildings including apartments, condominiums, townhouses, and dormitories. The structures are built inside our climate-controlled factories and are then transported to the site where they are set, assembled, and secured to the foundation. Electrical, plumbing, and HVAC systems are inspected and tested in the factory prior to transportation to the site to ensure the modules meet all local building codes and quality requirements.

Modular construction has gained acceptance and is a preferred building method by many architects and general contractors. The advantages of modular construction include: modules are constructed in a climate-controlled environment; weather conditions usually do not interrupt or delay construction; the building is protected from weather, reducing the risk of mold or other materials damage due to materials absorbing moisture from rain or snow; reduced site work; improved safety and security; reduced vandalism and attrition; and a significant reduction in overall project time. Manufacturing is not material to the operations of the Company's other business segments.

EBGL consists of two separate companies (EdgeBuilder and Glenbrook) operating in tandem with a common management team. EdgeBuilder manufactures wall panels and permanent wood foundations in a climate-controlled factory, then transports the panels to the construction site via flat-bed trucks. The panels are typically unloaded by crane and erected, or assembled, on site by professional framing contractors. Panelized construction, especially in large-scale, multi-unit projects, is becoming increasingly popular due to the heightened demand for construction labor. Additionally, because the wall panels are constructed in a controlled indoor environment, waste, weather-related delays, and mistakes are minimized. This shaves weeks off large, multi-unit construction schedules.

Glenbrook, as a retailer of professional building products, is not directly involved in manufacturing but does often sell and ship product in tandem with EdgeBuilder wall panel deliveries. As the International Building Code® continues to evolve, KBS and EBGL, along with our professional partners in the industry, meet code changes with innovative products and a dedicated staff to ensure adherent builds.

TT started operations in 2003 and has been manufacturing glue-laminated (glulam) wood columns and beams for post frame builders since that time. Timber Technologies products include treated and untreated columns for sidewalls and end walls in post frame buildings, glue-laminated headers and beams, and architectural grade beams for high-end commercial structures.

Human Capital Resources

The Company's success significantly depends upon its workforce. The Company employs approximately 1,200 people worldwide, of which approximately 950 employees are within its Business Services segment, including approximately 110 employees in the United States ("U.S.") and 840 employees internationally. The Company is dedicated to acquiring, investing in, and retaining top talent. Business Services global and regional employees have vast training and expertise across human capital solutions. Specifically, of the Company's Business Services employees, approximately 870 are client-facing consultants who sell and deliver talent solutions services to its existing client base. The Company's consultant population has deep expertise in specific functional areas and industry sectors, and provides broad-based recruitment and solution services based on the needs of each client on a regional and global basis.

The Company has a total of 245 employees in its Building Services and Energy Services segments, of which 162 were employed in manufacturing, 17 in operational roles, 37 in general and administrative functions, and 29 in marketing and sales. All of our 245 employees are full-time employees. All positions are in the United States. We also utilize varying amounts of temporary workers as necessary to fulfill customer requirements.

Our regional well-being programs are rolling out a variety of initiatives aimed at raising awareness and encouraging employees to look after their health and well-being. Our employee assistance programs offer additional support and information to our staff and a range of additional training modules were rolled out focusing on topics such as mental health awareness, health and wellness in the workplace, and keeping remote teams connected.

Employees have access to a range of training courses, including courses on anti-harassment, discrimination, and unconscious bias. eLearning is an integral part of the continuous development journey that we offer. We have access to over 200 hours of learning modules.

All our employees play an important part in contributing to and shaping our culture. We have taken actions to enhance our employees' experience working for the Company through the implementation of a continuous performance management framework in order to drive employees' performance, development, and engagement. We have policies to prevent discrimination based on gender, race, disability, ethnicity, nationality, religion, and other classes of persons, recognized within the varied regions we work. We take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. We also take affirmative action to employ and advance veterans in employment. We have not experienced any abnormal work stoppages and consider our employee relations to be good.

Segment and Geographic Data

Financial information concerning the Company's reportable segments and geographic areas of operation is included in Note 17 of the Notes to Consolidated Financial Statements contained in Item 8 of this Annual Report on Form 10-K (this "Form 10-K").

Available Information

We file electronically with the SEC, our annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 ("Exchange Act"). The SEC maintains a website (www.sec.gov), which contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

The Company's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports are available free of charge on our website (www.starequity.com) as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. Such reports will remain available on our website for at least 12 months and are also available free of charge by written request or by contacting Star Equity at (203) 489-9500 or our third-party Investor Relations representative at (212) 836-9611.

The contents of our website or any other website are not incorporated by reference into this Annual Report on Form 10-K.

ITEM 1A. RISK FACTORS

The following risk factors and other information included in this Form 10-K should be carefully considered. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations. If any of the following risks occur, our business, financial condition, results of operations, and cash flows could be materially adversely affected.

Risks Related to Our Business and Industry

Our business is sensitive to global economic conditions and fluctuations, including inflation, interest rates, and geopolitical uncertainty, which may reduce demand for our services and adversely affect our costs, profitability, and liquidity.

Our operations and results of operations are affected by global economic conditions in the markets in which we operate. Clients' demand for our Building Solutions, Business Services, and Energy Services may fluctuate widely in response to changes in economic conditions, including slower employment growth, reductions in hiring, reduced labor demand, reduced demand for construction products and materials, reduced demand for oil producing equipment, and overall economic uncertainty. In particular, demand for our RPO and contracting services is closely tied to labor market conditions and workforce expansion by our clients. Periods of slower employment growth, hiring freezes, or workforce reductions may directly reduce demand for these services.

Geopolitical events, including political divisions, the war in Ukraine, the war in Iran, other conflicts in the Middle East, U.S./China trade tensions, and the use or threatened use of tariffs, have contributed to economic, market, political, and regulatory uncertainty in certain of our markets. Global concerns such as pandemics, wars, or other sources of instability may

also result in social, economic, and labor disruption, negatively impacting customer demand, supply chains, labor markets, and financial markets.

In recent periods, global economic conditions have included elevated inflation, rising or sustained high interest rates, currency volatility, and increased economic uncertainty. Inflationary pressures have increased our costs for labor, raw materials, transportation, and other inputs, and have also contributed to wage inflation and increased operating costs across our business. In an inflationary environment, we may be unable to increase prices at a rate sufficient to offset these higher costs, which could adversely affect our margins, profitability, and cash flows. Higher interest rates may also increase our borrowing costs, reduce client spending, and limit access to capital markets, which could further reduce demand for our products and services.

Because certain of our operating costs are fixed or semi-fixed in the short term, adverse economic conditions may have a disproportionate impact on our financial condition and results of operations. We cannot predict the timing, duration, or severity of adverse economic conditions, and any sustained deterioration in global economic conditions or labor markets could materially adversely affect our business, financial condition, results of operations, and cash flows.

Our operating results may be adversely affected by changes in the cost and availability of commodities, materials, and equipment, including as a result of trade tariffs, supply-chain disruptions, and market conditions, which could increase costs and reduce demand for our products and services.

Our operating results, particularly within our Building Solutions and Energy Services segments, depend on the cost and availability of raw materials, commodities, and equipment used in the manufacture, sale, or leasing of our products. Many of the commodities and materials we use are imported or exported, and their prices and availability may fluctuate significantly due to changes in global supply and demand, transportation costs, energy prices, and conditions in the financial and housing markets.

Trade policies, including the use or threatened use of tariffs, import duties, quotas, or other trade restrictions, may disrupt global trade and supply chains. To the extent the commodities and materials we use become subject to tariffs or similar measures, our procurement costs could increase and market availability could be constrained. We may be unable to recover such increased costs from customers without adversely affecting demand, which could materially adversely affect our margins, results of operations, financial condition, and cash flows. In addition, disruptions in global trade may negatively impact our customers, which could reduce demand for our products and services.

Certain of our operating companies rely heavily on specific materials, including dimensional lumber and wood sheet products such as plywood and oriented strand board, the prices of which are subject to significant market volatility. Limited availability of raw materials or manufactured products that we lease or sell, whether due to supply-chain disruptions, market conditions, or regulatory factors, may require us to seek alternative suppliers at higher costs or may constrain our production and delivery capabilities.

If we are unable to pass increased material, commodity, transportation, or equipment costs through to customers, or if reduced availability of materials limits our ability to meet customer demand, our revenues, earnings, and cash flows could be adversely affected. These risks may be exacerbated during periods of economic uncertainty or volatility in global trade and commodity markets.

Our business depends on uninterrupted service to clients.

Our operations depend on our ability to protect our facilities, inventory, materials, machinery, transportation, computer and telecommunication equipment, and software systems against damage or interruption from fire, power loss, cyber-attacks, sabotage, telecommunications interruption, weather conditions, natural disasters, and other similar events. Additionally, severe weather can cause our employees or contractors to miss work and interrupt delivery of our service and products, potentially resulting in a loss of revenue. While interruptions of these types that have occurred in the past have not caused material disruption, it is not possible to predict the type, severity, or frequency of interruptions in the future or their impact on our business.

Our Business Services revenue can vary because our clients often run bid processes for RPO functions and can terminate their relationship with us at any time with limited or no penalty.

Our RPO business is significantly affected by our clients' hiring needs and their views of their future prospects. Clients may, on very short notice, terminate, reduce, or postpone their recruiting assignments with us and, therefore, affect

demand for our services. This could have a material adverse effect on our business, financial condition, and results of operations.

In addition, many of our larger clients run regular bid processes for their RPO requirements, requiring us to compete for new opportunities with existing clients. Even if our client relationships remain strong, we are repeatedly subject to open bid processes for new business or prior to the renewal of existing business. If we fail to meet the criteria set by our clients for new opportunities or for the renewal of existing services that we provide, or if our competitors are able to offer comparable service levels at reduced cost, our business may suffer.

We are subject to particular risks associated with real estate ownership, which could result in unanticipated losses or expenses.

Our business is subject to many risks that are associated with the ownership of real estate. Risks that are associated with real estate acquisition and ownership include, without limitation, the following: general liability, property and casualty losses, some of which may be uninsured; the inability to purchase or sell our assets rapidly due to the illiquid nature of real estate and the real estate market; leases which are not renewed or are renewed at lower rental amounts at expiration; the default by a tenant or guarantor under any lease; costs relating to maintenance and repair of our facilities and the need to make expenditures due to changes in governmental regulations, such as the Americans with Disabilities Act or remediation of unknown environmental hazards; and acts of God and acts of terrorism affecting our properties.

We may not be able to successfully execute our strategic initiatives or meet our long-term financial goals.

We have been engaged in strategic initiatives to maximize long-term stockholder value, to improve our cost structure and efficiency, and to increase our selling efforts and the development of new business, as well as to consider potential additional businesses that we believe could be beneficial and create value for our stockholders. We cannot provide any assurance that we will be able to successfully execute these or other strategic initiatives or that we will be able to execute these initiatives on our expected timetable. We may not be successful in refocusing our core business and obtaining operational efficiencies or replacing revenues lost as a result of these strategic initiatives.

Our quarterly and annual financial results and revenue are difficult to predict and are likely to fluctuate from period to period; no single quarter is predictive of future periods' results.

We have historically experienced seasonality in all of our businesses and downturns based on the changing U.S. economy.

The revenues from our Business Services segment fluctuate quarter to quarter primarily due to the vacation periods during the first quarter in the Asia Pacific region and the third quarter in the Americas and EMEA regions. Demand for our services is typically lower during traditional vacation periods when clients and candidates are on vacation.

The revenues from our Building Solutions segment fluctuate quarter to quarter primarily due to weather conditions which in the 4th and 1st quarter may effect demand but also our ability to promptly and efficiently transport products.

The revenues from our Energy Services segment may fluctuate primarily due to sensitivity in the drilling industry where changes in economic conditions, especially those that effect oil prices, and the availability of financing may affect the demand for our products.

Adverse changes in any of these conditions could decrease demand and pricing for new projects in the areas in which we operate or result in customer cancellations of pending contracts, and decrease demand for future contracts, which could result in a decrease in our revenues in particular periods.

We cannot predict with certainty the overall trajectory of the industries we work in or the duration of trends due to changes in conditions that are beyond our control. These conditions include, but are not limited to rising interest rates; economic recession or downturn; changes in demographics and population migration that impair the demand for new housing; changes in oil prices that effect demand for drilling equipment and transportation costs across all our businesses; labor issues such as shortages and rising costs of labor; and; tax law changes.

Our growth strategy includes acquisitions and dispositions, but we may not realize the anticipated benefits of these transactions, which could adversely affect our business, financial condition, and results of operations.

As part of our growth strategy, we may pursue acquisitions of businesses that we believe can complement or expand our current operations, and we may also sell businesses from time to time. Acquisition and disposition activities involve numerous risks and uncertainties. We may incur unforeseen liabilities, costs, or asset impairments in connection with acquired or divested businesses, and with respect to any businesses we sell, we would no longer benefit from the cash flows they generated. There can be no assurance that proceeds from dispositions, if any, will be reinvested in a manner that generates anticipated returns.

Acquisitions involve significant complexities, including risks associated with the acquired businesses' past operations, loss of customers, unanticipated regulatory or compliance requirements, integration of personnel, human resource programs, information systems and ERP platforms, internal controls, and the potential impact of compliance with the Sarbanes-Oxley Act of 2002. We may also experience general underperformance of acquired businesses relative to expectations, as well as unanticipated expenses or liabilities.

The benefits we expect to achieve from acquisitions depend largely on our ability to successfully integrate acquired businesses in an efficient and timely manner and to realize anticipated synergies. We may not be able to integrate acquired businesses smoothly or successfully, integration efforts may take longer or cost more than expected, and anticipated synergies or other benefits may be delayed, reduced, or not realized at all. Failure to achieve expected benefits could result in diminished operating performance and could require us to record impairment charges related to goodwill or other acquired assets.

In addition, the process of evaluating, negotiating, and integrating acquisitions or executing dispositions may divert management's attention from our existing operations and disrupt our business. We cannot provide assurance that we will identify suitable acquisition or disposition opportunities, successfully complete any transactions, or realize the expected benefits of any strategic transactions. Any of these risks could materially adversely affect our business, financial condition, and results of operations.

Our profitability and growth may depend on the success of our operating businesses which include Buildings Solutions and construction related products, global Business Services, and drilling products and other Energy Services, which businesses are subject to a variety of business risks and uncertainties.

Any evaluation of our operating businesses and our prospects must be considered in light of the risks and uncertainties stated above, as well as the following: the ability to maintain our relationships with our existing clients; the ability to attract new clients; and the ability to maintain or generate the amount of cash required to operate the operating businesses. If we are unable to address these risks, our business, results of operations, and prospects could suffer.

We may make financial investments in other businesses that may lose value.

As we look for the best ways to deploy our capital and maximize our returns for our businesses and stockholders, we may make financial investments in other businesses or processes for purposes of enhancing our supply chain, creating financial returns, strategic developments, or other purposes. These investments may be speculative in nature, and there is no guarantee that we will experience a financial return and we may lose our entire principal balance if not successful.

Our long-term results depend upon our ability to improve existing products and services and develop, introduce, and market new products and services successfully.

Our business is dependent on the continued improvement of our existing products and services and our development of new products and services utilizing our current or other potential future technology. As we introduce new products and services or refine, improve, or upgrade versions of existing products and services, we cannot predict the level of market acceptance or the amount of market share these products and services will achieve, if any. We cannot be certain that we will not experience material delays in the introduction of new products or services in the future.

We generally sell our products and services in industries that are characterized by rapid technological changes, frequent new product introductions, and changing industry standards. If we do not develop new products and services and product enhancements based on technological innovation on a timely basis, our products and services may become obsolete over time and our revenues, cash flow, profitability, and competitive position may suffer. Even if we successfully innovate and develop new products, services and product enhancements, we may incur substantial costs in doing so, and our profitability may suffer.

Our business is highly dependent on a limited number of significant customers and distribution relationships, and the loss, reduction, or non-renewal of these relationships, could materially adversely affect our revenues, financial condition, and results of operations.

A significant portion of our revenue is derived from a limited number of customers. In addition, a limited number of customers have represented a significant portion of our accounts receivable. Our business depends on the continuation of these customer relationships, as well as our ability to replace or expand revenues through new customer development. The loss of any significant customer, a material reduction in business from such customers, or a deterioration in the financial condition of these customers could materially adversely affect our revenues, financial condition, and results of operations.

Our customer relationships generally do not provide long-term volume commitments. In our Business Services segment, clients' demand for our services is significantly influenced by their hiring needs and their views of future business prospects. Clients may terminate, reduce, or postpone engagements on short notice and often with limited or no penalty. In addition, many of our larger Business Services clients regularly conduct competitive bid processes for staffing and related services, requiring us to compete for renewals and new engagements even where existing relationships remain strong. If we are unable to successfully compete in these bid processes or meet evolving client requirements, our revenues and results of operations could be materially adversely affected.

Our Building Solutions and Energy Services segments are similarly dependent on customer demand for products, equipment, and machinery, which may fluctuate based on market conditions. In addition, certain of our operating companies rely on independent dealers and contractors to distribute and sell products. These dealers and contractors may also sell competing products, may terminate their relationships with us on short notice, or may experience financial or operational difficulties due to industry, economic, demographic, or seasonal factors. If we are unable to maintain existing dealer and contractor relationships or establish relationships with new, financially stable partners, demand for our products could decline.

If we are unable to replace lost or reduced business from existing customers, successfully compete for renewals and new engagements, or maintain effective distribution relationships, our revenues, cash flows, and results of operations could be materially adversely affected, and the market price of our common stock could decline.

Our markets are highly competitive.

The markets for our services are highly competitive. Our markets are characterized by pressures to provide high levels of service, incorporate new capabilities and technologies, accelerate job completion schedules, and reduce prices. Furthermore, we face competition from a number of sources. These sources include, with respect to our segments, as follows: (i) For our Business Services segment, other executive search firms and professional search, staffing, and consulting firms; (ii) For our Buildings Solutions segment, other modular builders, stick builders, and lumber and material suppliers; and (iii) For our Energy Services segment, other drilling and machinery providers. Several of our competitors have greater financial and marketing resources than we do. Due to competition, we may experience reduced margins on our services, loss of market share and loss of customers. If we are not able to compete effectively with current or future competitors as a result of these and other factors, our business, financial condition, and results of operations could be materially adversely affected.

Other than our AI services, within our Building Solutions, Business Services, and Energy Services segments we have little to no significant proprietary technology that would preclude or inhibit competitors from entering the markets in which we engage. We cannot provide assurance that existing or future competitors will not develop or offer services that provide significant performance, price, creative, or other advantages over our services. In addition, we believe that, with continuing development of information technology, the industries in which we compete may attract new competitors. Specifically, the increased use of web-based and mobile technology may attract technology-oriented companies to the recruitment industry. We cannot provide assurance that we will be able to continue to compete effectively against existing or future competitors. Any of these events could have a material adverse effect on our business, financial condition, and results of operations.

Due to the nature of our businesses, many of our expenses are fixed costs and if there are decreases in demand for products, it may adversely affect operating results.

Many of our expenses, particularly those relating to properties, capital equipment, and certain manufacturing overhead items, and labor costs are fixed in the short term. Within the Building Solutions and Energy Solutions segments Reduced demand for products and services causes fixed production costs to be allocated across reduced production volumes, which may adversely affect gross margins and profitability.

If we are unable to maintain costs at an acceptable level, our operations could be adversely impacted.

Our ability to reduce costs in line with our revenues is important for the improvement of our profitability. Efforts to improve our efficiency could be affected by several factors including turnover, client demands, market conditions, continued increases in inflation, changes in laws, and availability of talent. If we fail to realize the expected benefits of these cost reduction initiatives, this could have an adverse effect on our financial condition and results of operations.

We have had periods of negative cash flows and operating losses that may recur in the future.

We have experienced negative cash flows and reported operating and net losses in previous years. We cannot provide any assurance that we will have positive cash flows or operating profitability in the future, particularly to the extent the global economy slows down or enters recession, or inflation increases. If our revenue declines or if operating expenses exceed our expectations, we may not be profitable and may not generate positive operating cash flows.

The impact of the Russian invasion of Ukraine, and the US-Iran war, on the global economy, energy supplies and raw materials is uncertain, but may prove to negatively impact our business and operations.

The short and long-term implications of Russia's invasion of Ukraine, and the war between the US and Iran are difficult to predict at this time. We continue to monitor any adverse impact that the outbreak of war in Ukraine and the subsequent institution of sanctions against Russia by the U.S. and several European and Asian countries; along with the war in Iran, may have on the global economy in general, on our business and operations and on the businesses and operations of our suppliers and customers. Such risks include, but are not limited to, adverse effects on macro-economic conditions, including inflation; disruptions to our global technology infrastructure, including through cyberattack, ransom attack, or cyber-intrusion; adverse changes in international trade policies and relations; our ability to maintain or increase our product prices; disruptions in global supply chains; our exposure to foreign currency fluctuations; and constraints, volatility, or disruption in the capital markets, any of which could negatively affect our business and financial condition.

Risks Related to Indebtedness

Our credit facilities may restrict our operating flexibility in the future.

All our businesses in the Building Solutions and Energy Solutions segments are supported by credited facilities. See Note 9 – Debt to the consolidated financial statements included in Part II, Item 8 of this Form 10-K.

We may enter into additional credit facilities in the future that contain various restrictions and covenants that restrict our operating flexibility including borrowings limited to eligible receivables; lenders' ability to impose restrictions, such as payroll or other reserves; limitations on payments of dividends by our subsidiaries to us, which may restrict our ability to pay dividends to our stockholders; restrictions on our ability to make additional borrowings, or to consolidate, merge, or otherwise fundamentally change our ownership; limitations on capital expenditures, investments, dispositions of assets, guarantees of indebtedness, permitted acquisitions, and repurchases of stock; and limitations on certain intercompany payments of expenses, interest, and dividends.

These restrictions and covenants could have adverse consequences for investors, including restrictions on our ability to incur additional debt financing for future working capital or capital expenditures, a lesser ability for us to take advantage of significant business opportunities, such as acquisition opportunities, the potential need for us to undertake equity transactions, which may dilute the ownership of existing investors, and our inability to react to market conditions by selling lesser-performing assets. In addition, our payment of principal and interest on any future indebtedness would reduce our cash available for operations.

In addition, a default, amendment, or waiver in any of our debt facilities or lending arrangements or a future agreement to avoid a default may result in higher rates of interest and could impact our ability to obtain additional borrowings. Finally, debt incurred under some of our debt facilities have a variable rate, which may fluctuate upward. Any increase in interest expense could reduce the funds available for operations.

In addition, many of the credit facilities are guaranteed by the Company, an event of default wherein a guaranty exists could impact the financial condition or other operations, and the credit facilities of those other businesses that have no or a different lending facility.

If we are unable to generate or borrow sufficient cash to make payments on our indebtedness, our financial condition would be materially harmed, our business could fail, and stockholders may lose all of their investment.

To the extent we incur indebtedness in the future, our ability to make scheduled payments on or to refinance our obligations will depend on our financial and operating performance, which will be affected by economic, financial, competitive, and other factors, some of which are beyond our control. We cannot assure you that our business will generate sufficient cash flow from operations to service our indebtedness or to fund our other liquidity needs. If we are unable to meet our debt obligations or fund our other liquidity needs, we may need to restructure or refinance all or a portion of our indebtedness on or before maturity or sell certain of our assets. We cannot assure you that we will be able to restructure or refinance any of our indebtedness on commercially reasonable terms, if at all, which could cause us to default on our debt obligations and impair our liquidity. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations.

Certain of our historical credit facilities have been based on eligible accounts receivable or inventory and may include lender-imposed reserves, borrowing base limitations, and restrictions on intercompany payments or dividends. Amendments, waivers, or defaults under such facilities could result in increased borrowing costs, additional restrictions on operations, or reduced liquidity, which could materially adversely affect our business and financial condition.

Any indebtedness incurred by the Company could restrict our operations and make us more vulnerable to adverse economic conditions.

Any indebtedness we incur in the future could have important consequences for us and our stockholders. Our indebtedness could: increase our vulnerability to adverse economic and competitive pressures in our industry; place us at a competitive disadvantage compared to our competitors that have less debt; limit our flexibility in planning for, or reacting to, changes in our business and our industry; and limit our ability to borrow additional funds on terms that are acceptable to us or at all.

Other Risks Related to Our Business

Our investment strategy subjects us to risks.

From time to time, we make investments as part of our growth plans. Investments may not perform as expected because they are dependent on a variety of factors, including our ability to effectively integrate new personnel and operations, our ability to sell new services, and our ability to retain existing or gain new clients.

Additionally, our international operations may also be adversely affected by political events, trade wars, domestic or international terrorist events, hostilities or complications due to natural, nuclear, war or other disasters, including the ongoing Russian invasion of Ukraine and the conflicts in the Middle East. These or any further political or governmental developments or health concerns in the U.S. and foreign countries in which we operate could result in social, economic, and labor instability, as well as affect demand for our services. These uncertainties could have a material adverse effect on the continuity of our business and our results of operations and financial condition.

We depend on our key management personnel.

Our success depends to a significant extent on our senior management team. The loss of the services of one or more key senior management team members could have a material adverse effect on our business, financial condition, and results of operations. In addition, if one or more key employees join a competitor or form a competing company, the resulting loss of existing or potential clients could have a material adverse effect on our business, financial condition, and results of operations. The Company also could be adversely affected if key personnel or a significant number of employees were to become unavailable due to health concerns. Although the Company has business continuity plans and other safeguards in place, there is no assurance that such plans and safeguards will be effective.

Failure to attract and retain qualified personnel, management and advisors could negatively impact our business, financial condition, and results of operations.

Our ability to implement our business objectives and serve our customers depends upon our ability to attract and retain highly skilled professionals, management and advisors who possess the skills and experience necessary to operate our business, as well as personnel who meet the staffing requirements of our clients. In addition, our ability to execute our strategy requires that we retain and recruit personnel, management and advisors with experience in our businesses.

We must continually evaluate and upgrade our base of available qualified personnel to keep pace with changing client needs and emerging technologies. Competition for qualified professionals with proven skills is intense amidst the widespread U.S. labor shortage, and the demand for these individuals is expected to remain strong for the foreseeable future. There can be no assurance that qualified personnel will continue to be available to us in sufficient numbers with the current market conditions. As such, we may be required to adjust our budget to account for pressures to increase wages in order to compete for skilled personnel. If we are unable to attract the necessary qualified personnel for our clients and our business, it may have a negative impact on our business, financial condition, and results of operations.

We face risks in collecting our accounts receivable.

In virtually all of our businesses, we invoice customers after providing services and products, which creates accounts receivable. Delays or defaults in payments owed to us could have a significant adverse impact on our business, financial condition, and results of operations. Factors that could cause a delay or default include, but are not limited to, global economic conditions, business failures, and turmoil in the financial and credit markets.

In certain situations, we provide our services to clients under a contractual relationship with a third-party, rather than directly to the client. In those circumstances, the third-party is typically responsible for aggregating billing information, collecting receivables from the client, and paying suppliers or subcontractors once funds are received from the client. In the event that the client has paid the third-party for our services and products and we are unable to collect from the third-party, we may be exposed to financial losses.

Due to the nature of the work we perform, we may be subject to significant liability claims and disputes.

Our operating companies and wholly owned subsidiaries, particularly our building solutions and energy segments, engage in services that can result in substantial injury or damages that may expose us to legal proceedings, investigations and disputes. For example, in the ordinary course of our business, we may be involved in legal disputes regarding personal injury and wrongful death claims, employee or labor disputes, professional liability claims, and general commercial disputes, as well as other claims. An unfavorable legal ruling against us or our subsidiaries could result in substantial monetary damages. Although we have adopted a range of insurance, risk management, safety, and risk avoidance programs designed to reduce potential liabilities, there can be no assurance that such programs will protect us fully from all risks and liabilities. If we sustain liabilities that exceed our insurance coverage or for which we are not insured, it could have a material adverse impact on our results of operations and financial condition.

Our ability to utilize net operating loss carryforwards may be limited.

Our ability to use our U.S. federal and state net operating loss carryforwards ("NOLs") and other tax attributes to offset potential future taxable income and related income taxes that would otherwise be due is dependent upon our generation of future taxable income, and we cannot predict with certainty when, or whether, we will generate sufficient taxable income to use all of our NOLs, or other tax attributes. Unused U.S. federal NOLs arising in taxable years beginning before January 1, 2018, may be carried forward to the earlier of the next subsequent twenty tax years to offset future taxable income, if any. Under current federal tax law, U.S. federal NOLs incurred in taxable years beginning after December 31, 2017, can be carried forward indefinitely, but the ability to use such U.S. federal NOLs to offset taxable income in taxable years beginning after December 31, 2017, is limited to 80% of taxable income. It is uncertain if and to what extent various states will conform to current U.S. federal tax law.

As of December 31, 2025, we had U.S. federal and state NOLs of approximately \$215.4 million which may be available to offset future U.S. federal income. Our U.S. federal and state NOLs incurred in taxable years beginning prior to January 1, 2018 of approximately \$183.6 million expire beginning in 2026 while U.S. federal NOLs incurred in taxable years beginning after December 31, 2017 of approximately \$31.8 million will have an indefinite carryforward period, subject to annual limitations. Our NOL carryforwards are subject to review and possible adjustment by the U.S. federal and state tax authorities.

In addition, under Section 382 of the Internal Revenue Code of 1986, as amended, and corresponding provisions of state law, if a corporation undergoes an "ownership change," which is generally defined as a greater than 50% change, by value, in its equity ownership over a three-year period, the corporation's ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes to offset its post-change income or taxes may be limited. We may experience ownership changes in the future as a result of subsequent shifts in our stock ownership, some of which may be outside of our control. If an ownership change occurs and our ability to use our net operating loss carryforwards is materially limited, it would harm our future operating results by effectively increasing our future tax obligations.

Our goodwill and other long-lived assets are subject to potential impairment that could negatively impact our earnings.

A significant portion of our assets consists of goodwill and other long-lived assets, the carrying value of which may be reduced if we determine that those assets are impaired. If actual results differ from the assumptions and estimates used in our goodwill and long-lived asset valuation calculations, we could incur impairment charges, which could negatively impact our earnings. See Note 5 – Acquisitions to the consolidated financial statements included in Part II, Item 8 of this Form 10-K.

We review our reporting units for potential goodwill impairment annually or more often if events or circumstances indicate that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. In addition, we test the recoverability of long-lived assets if events or circumstances indicate the carrying values may not be recoverable. Recoverability of long-lived assets is measured by comparison of their carrying amounts to future undiscounted cash flows the assets are expected to generate. We conduct impairment testing based on our current business strategy in light of present industry and economic conditions, as well as future expectations. There are numerous risks that may cause the fair value of a reporting unit to fall below its carrying amount and/or the value of long-lived assets to not be recoverable, which could lead to the measurement and recognition of goodwill and/or long-lived asset impairment. These risks include, but are not limited to, significant negative variances between actual and expected financial results, lowered expectations of future financial results, failure to realize anticipated synergies from acquisitions, adverse changes in the business climate, and the loss of key personnel. If we are not able to achieve projected performance levels, future impairments could be possible, which could negatively impact our earnings.

Risks Related to our Common Stock and Preferred Stock

The market price of our common and preferred stock may be volatile, and the value of your investment could decline significantly.

The market price of our common stock has been, and we expect it to continue to be, volatile. The prices at which our shares of common stock trade depend upon a number of factors, including our historical and anticipated operating results, our financial situation, announcements of new products by us or our competitors, history of timely dividend payments, our ability or inability to raise the additional capital we may need and the terms on which we raise it, and general market and economic conditions. Some of these factors are beyond our control. Broad market fluctuations may lower the market price of our common stock and affect the volume of trading in our stock, regardless of our financial condition, results of operations, business, or prospects. It is impossible to assure you that the market price of our shares of common stock will not fall in the future.

Our common stock has a low trading volume and shares available under our equity compensation plans could affect the trading price of our common stock.

Our common stock historically has had a low trading volume. Any significant sales of our common stock may cause volatility in our stock price. We also have registered shares of common stock that we may issue under our employee benefit plans or from our treasury stock. Accordingly, these shares can be freely sold in the public market upon issuance, subject to restrictions under the securities laws. If any of these stockholders, or other selling stockholders, cause a large number of securities to be sold in the public market without a corresponding demand, the sales could reduce the trading price of our common stock. One or more stockholders holding a significant amount of our common stock might be able to significantly influence matters requiring approval by our stockholders, possibly including the election of directors and the approval of mergers or other business combination transactions.

If securities or industry analysts do not publish research or reports about our business, or if they issue an adverse or misleading opinion regarding our stock, the price and trading volume of our securities could decline.

The trading market for our securities will be influenced by the research and reports that industry or securities analysts publish about us or our business. We currently have two securities and industry analysts providing research coverage. In the event that any of the analysts who cover us issue an adverse or misleading opinion regarding us, our business model, our intellectual property or our stock performance, or if our operating results fail to meet the expectations of analysts, the price of our securities would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause the price or trading volume of our securities to decline.

Payment of dividends on our Common Stock is prohibited unless we have declared and paid (or set apart for payment) full accumulated dividends on the Series A Preferred Stock, which also has a significant liquidation value.

Unless full cumulative dividends on our Preferred Stock have been, or contemporaneously are, declared and paid or declared and a sum sufficient for the payment thereof is set apart for payment for all past dividend periods, no dividends (other than a dividend in shares of Common Stock or other shares of stock ranking junior to the Series A Preferred Stock (as to dividends and upon liquidation) may be declared and paid or declared and set apart for payment on our Common Stock, nor may any shares of Common Stock be redeemed, purchased or otherwise acquired for any consideration by us. To the extent dividends are not paid on our Preferred Stock, cumulative dividends accrue as part of the liquidation value of our Preferred Stock, which has a liquidation value of \$10.00 per share at issuance. Dividends on our Preferred Stock are payable out of amounts legally available therefor at a rate equal to 10.0% per annum per \$10.00 of stated liquidation preference per share, or \$1.00 per share of our Preferred Stock per year. Dividends on our Preferred Stock are only payable in cash. As of December 31, 2025, there were 2,370 shares of our Series A Preferred Stock outstanding, and all cumulative dividends due pursuant to its terms have been paid.

If we fail to pay dividends on our Series A Preferred Stock for six or more consecutive quarters, holders of our Series A Preferred Stock will be entitled to elect two additional directors to our board of directors.

To the extent dividends are not paid on the Series A Preferred Stock in accordance with their terms, cumulative dividends will accrue as part of the liquidation value of the Series A Preferred Stock. Whenever dividends on any shares of Series A Preferred Stock are in arrears for six or more consecutive quarters, then the holders of those shares together with the holders of all other series of preferred stock equal in rank with the Series A Preferred Stock upon which like voting rights have been conferred and are exercisable, will be entitled to vote separately as a class for the election of a total of two additional directors to our board of directors. Holders of our common stock will not be entitled to vote for or against such additional directors.

We have a history of annual net losses attributable to common stockholders which may continue and which may negatively impact our ability to achieve our growth initiatives.

Our total stockholders' equity may decline from time to time. There can be no assurance that, even if our revenue increases, our future operations will result in net income attributable to common stockholders. Our failure to increase our revenues or improve our gross margins will harm our business. We may not be able to sustain or increase profitability on a quarterly or annual basis in the future. If our revenues grow more slowly than we anticipate, our gross margins fail to improve or our operating expenses exceed our expectations, our operating results will suffer. The prices we charge for our products and services may decrease, which would reduce our revenues and harm our business. If we are unable to sell our products at acceptable prices relative to our costs, or if we fail to develop and introduce on a timely basis new products from which we can derive additional revenues, our financial results will suffer.

Regulatory and Compliance Risks

We face risks related to our international operations.

Our Business Services segment conducts direct operations in sixteen countries and face both translation and transaction risks related to foreign currency exchange. For the year ended December 31, 2025, approximately 80% of our Business Services segment revenue was earned outside of the U.S. Our financial results could be materially affected by a number of factors particular to international operations. These include, but are not limited to, difficulties in staffing and managing international operations, operational issues such as longer customer payment cycles and greater difficulties in collecting accounts receivable, changes in tax laws or other regulatory requirements, issues relating to uncertainties of laws and enforcement relating to the regulation and protection of intellectual property, and currency fluctuation. If we are forced, or determine, to discontinue or restructure any of our international operations, we could incur material costs to close down such operations, which could adversely affect our results of operations and financial condition.

Regarding the foreign currency risk inherent in international operations, the results of our local operations are reported in the applicable foreign currencies and then translated into U.S. dollars at the applicable foreign currency exchange rates for inclusion in our financial statements. In addition, we generally pay operating expenses in the corresponding local currency. Because of devaluations and fluctuations in currency exchange rates or the imposition of limitations on conversion of foreign currencies into U.S. dollars, we are subject to currency translation exposure on the revenue and income of our operations in addition to economic exposure. Our consolidated U.S. dollar cash balance could be lower because a significant amount of cash

is generated outside of the U.S. This risk could have a material adverse effect on our business, financial condition, and results of operations.

We spend considerable time and money complying with federal and state laws, regulations, and other rules which may fluctuate, and if we are unable to fully comply with such laws, regulations, and other rules, we could face substantial penalties.

Our businesses are subject to various federal, state and local laws and regulations. In recent years, a number of new laws and regulations have been adopted, and there has been expanded enforcement of certain existing laws and regulations by federal, state, and local agencies. These laws and regulations, and related interpretations and enforcement activity, may change as a result of a variety of factors, including political, economic or social events. Changes in, expanded enforcement of, or adoption of new federal, state or local laws and regulations governing minimum wage or living wage requirements; the classification of exempt and non-exempt employees; the distinction between employees and contractors; other wage, labor or workplace regulations; healthcare; safety and health; data protection and cybersecurity; the sale and pricing of some of our products; transportation; logistics; supply chain transparency; taxes; unclaimed property; energy costs and consumption; or environmental matters could increase our costs of doing business or impact our operations.

We maintain a compliance program to identify and correct any compliance issues and remain in compliance with all applicable laws, to train employees, to audit and monitor our operations, and to achieve other compliance goals. Like most companies with compliance programs, we occasionally discover compliance concerns. In such cases, we take responsive action, including corrective measures when necessary. There can be no assurance that our responsive actions will insulate us from liability associated with any detected compliance concerns.

If our past or present operations are found to be in violation of any of the laws, regulations, rules, or policies described above or the other laws or regulations to which we or our customers are subject, we may be subject to civil and criminal penalties, damages, fines, or the curtailment or restructuring of our operations. Any penalties, damages, fines, curtailment, or restructuring of our operations could adversely affect our ability to operate our business and our financial results. Any action against us for violation of these laws, even if we successfully defend against it, could cause us to incur significant legal expenses, divert our management's attention from the operation of our business, and damage our reputation. Although compliance programs can mitigate the risk of investigation and prosecution for violations of these laws, regulations, rules, and policies, the risks cannot be entirely eliminated. Moreover, achieving and sustaining compliance with applicable federal and state privacy, security, and fraud laws may prove costly.

We may be exposed to employment-related claims, legal liability, and costs from clients, employees, and regulatory authorities that could adversely affect our business, financial condition, or results of operations, and our insurance coverage may not cover all of our potential liability.

We are in the business of employing people and placing them in the workplaces of our businesses and other businesses. Risks relating to these activities include claims of misconduct or negligence on the part of our employees; claims by our employees of discrimination or harassment directed at them, including claims relating to actions of our clients; claims related to the employment of illegal aliens or unlicensed personnel; claims for payment of workers' compensation and other similar claims; claims for violations of wage and hour requirements; claims for entitlement to employee benefits; claims of errors and omissions of our temporary employees; claims by taxing authorities related to our independent contractors and the risk that such contractors could be considered employees for tax purposes; claims by candidates that we place for wrongful termination or denial of employment; claims related to our non-compliance with data protection laws, which require the consent of a candidate to transfer resumes and other data; claims related to the recruitment process; and claims by our clients relating to our employees' misuse of client proprietary information, misappropriation of funds, other misconduct, criminal activity or similar claims. These risks may not be fully covered by insurance and could result in significant costs, reputational harm, or operational disruption.

We may incur fines and other losses or negative publicity with respect to these problems. In addition, some or all of these claims may give rise to litigation, which could be time-consuming to our management team, costly, and could have a negative effect on our business. In some cases, we have agreed to indemnify our clients against some or all of these types of liabilities. We cannot assure that we will not experience these problems in the future, that our insurance will cover all claims, or that our insurance coverage will continue to be available at economically feasible rates.

Our future earnings could be reduced as a result of the imposition of licensing or tax requirements or new regulations that prohibit, or restrict certain types of services we offer in the U.S. and foreign countries.

Our future earnings could be reduced if additional regulatory requirements are imposed in the countries in which we operate. The countries in which we operate may create additional regulations that prohibit or restrict the types of services that we currently provide;

- impose new or additional benefit requirements; require us to obtain additional licensing to provide building solutions, business services, energy services, or investments;
- impose new or additional restrictions on movements between countries;
- increase taxes, such as sales or value-added taxes, payable by our operating companies;
- increase the number of various tax and compliance audits relating to a variety of regulations, including wage and hour laws, unemployment taxes, workers' compensation, immigration, and income, value-added, and sales taxes; or
- revise transfer pricing laws or successfully challenge our transfer prices, which may result in higher foreign taxes or tax liabilities or double taxation of our foreign operations.

Any future regulations that make it more difficult or expensive for us to continue to provide our services may have a material adverse effect on our business, financial condition and results of operations.

Provisions in our organizational documents and Delaware law will make it more difficult for someone to remove current management and to acquire control of us.

Our certificate of incorporation and bylaws contain provisions that may make it more difficult for a third party to acquire control of us in a transaction not approved by our Board of Directors, including transactions in which stockholders might otherwise receive a premium for their shares over then-current market prices. These provisions could also limit the ability of stockholders to approve transactions they may deem to be in their best interests, discourage bids at a premium over the market price of our common stock, adversely affect the market price of our common stock, and delay or prevent changes in incumbent management.

For example, our certificate of incorporation and bylaws authorize our Board of Directors to issue shares of preferred stock in one or more series without further stockholder approval, which could be used to deter or delay a takeover attempt. Our bylaws also require stockholders to provide advance notice of any stockholder nominations of directors or proposals for new business to be considered at stockholder meetings, and provide that vacancies on our Board of Directors may be filled by the remaining directors then in office, which may limit stockholders' ability to influence the composition of the Board.

In addition, as a Delaware corporation, we are subject to Section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware corporation from engaging in a business combination with an "interested stockholder" for a period of three years following the time that such stockholder becomes an interested stockholder, unless the transaction or the acquisition of stock that resulted in the stockholder becoming an interested stockholder is approved by the board of directors or specified stockholder approval requirements are satisfied. These provisions, individually or together, could deter or delay a potential acquisition, proxy contest, or other change in control, even if such a transaction might be beneficial to our stockholders.

The protective amendment contained in our Restated Certificate of Incorporation, which is intended to help preserve the value of certain income tax assets, primarily tax net operating loss carryforwards, may have unintended negative effects.

Pursuant to Sections 382 and 383 of the Code, use of our NOLs may be limited by an "ownership change" as defined under Section 382 of the Code and the Treasury Regulations thereunder. In order to protect our significant NOLs, we filed an amendment to our certificate of incorporation (the "Restated Certificate of Incorporation") (as amended and extended, the "Protective Amendment") with the Delaware Secretary of State on May 5, 2015. The Protective Amendment was approved by our stockholders at our 2021 Annual Meeting of Stockholders held on October 21, 2021, and further extended with the approval of our stockholders at our 2024 Annual Meeting of Stockholders held on October 10, 2024, and is in effect until July 31, 2027, unless further extended or it terminates pursuant to its terms.

The Protective Amendment is designed to assist us in protecting the long-term value of our accumulated NOLs by limiting certain transfers of our common stock. The Protective Amendment's transfer restrictions generally restrict any direct or indirect transfers of the common stock if the effect would be to increase the direct or indirect ownership of the common stock by any person from less than 4.99% to 4.99% or more of the common stock, or increase the percentage of the common stock owned directly or indirectly by a person owning or deemed to own 4.99% or more of the common stock. Any direct or indirect

transfer attempted in violation of the Protective Amendment will be void as of the date of the prohibited transfer as to the purported transferee.

The Protective Amendment also requires any person attempting to become a holder of 4.99% or more of our common stock to seek the approval of our board of directors. This may have an unintended “anti-takeover” effect because our board of directors may be able to prevent any future takeover. Similarly, any limits on the amount of stock that a stockholder may own could have the effect of making it more difficult for stockholders to replace current management. Additionally, because the Protective Amendment may have the effect of restricting a stockholder’s ability to dispose of or acquire our common stock, the liquidity and market value of our common stock might suffer.

Our stockholder rights plan, or “poison pill,” includes terms and conditions which could discourage a takeover or other transaction that stockholders may consider favorable.

On October 15, 2018, stockholders of record at the close of business on that date received a dividend of one right (a “Right”) for each outstanding share of common stock. Each Right allows its holder to purchase from the Company one one-hundredth of a share of the Company’s Series B Junior Participating Preferred Stock (“Series B Preferred Stock”) for a purchase price of \$3.50. Each fractional share of Series B Preferred Stock would give the stockholder approximately the same dividend, voting and liquidation rights as does one share of common stock. Prior to exercise, however, a Right does not give its holder any dividend, voting or liquidation right.

The Rights Agreement imposes a significant penalty upon any person or group that acquires 4.99% or more (but less than 50%) of our then-outstanding common stock without the prior approval of our board of directors. A person or group that acquires shares of our common stock in excess of the applicable threshold, subject to certain limited exceptions, is called an “Acquiring Person.” Any rights held by an Acquiring Person are void and may not be exercised. The Rights will not be exercisable until the earlier of ten days after a public announcement by us that a person or group has become an Acquiring Person and ten business days (or a later date determined by our board of directors) after a person or group begins a tender or an exchange offer that, if completed, would result in that person or group becoming an acquiring person. On the date (if any) that the Rights become exercisable (the “Distribution Date”), each Right would allow its holder to purchase one one-hundredth of a share of Preferred Stock for a purchase price of \$3.50. In addition, if a person or group becomes an Acquiring Person after the Distribution Date or already is an Acquiring Person and acquires more shares after the Distribution Date, all holders of Rights, except the Acquiring Person, may exercise their rights to purchase a number of shares of the common stock (in lieu of preferred stock) with a market value of twice the Exercise Price, upon payment of the purchase price.

The Rights will expire on the earliest of (i) the close of business on October 15, 2027, or such earlier date as of which the Board determines that this Agreement is no longer necessary for the preservation of Tax Benefits, (ii) the time at which the Rights are redeemed as provided in Section 23, (iii) the time at which all exercisable Rights are exchanged as provided in Section 24, (iv) the close of business on the effective date of the repeal of Section 382 of the Code or any successor or replacement provision if the Board determines that this Agreement is no longer necessary for the preservation of Tax Benefits, and (v) the close of business on the first day of a taxable year of the Company to which the Board determines that no Tax Benefits may be carried forward.

The Rights have certain anti-takeover effects, including potentially discouraging a takeover that stockholders may consider favorable. The Rights will cause substantial dilution to a person or group that attempts to acquire us on terms not approved by the board of directors.

As a smaller reporting company, we are subject to scaled disclosure requirements that may make it more challenging for investors to analyze and compare our results of operations and financial prospects.

Currently, we are a “smaller reporting company,” as defined by Rule 12b-2 of the Exchange Act. As a “smaller reporting company,” we are able to provide simplified executive compensation disclosures in our filings and have certain other decreased disclosure obligations in our filings with the SEC, including being required to provide only two years of audited financial statements in annual reports. Consequently, it may be more challenging for investors to analyze our results of operations and financial prospects.

Furthermore, we are a non-accelerated filer as defined by Rule 12b-2 of the Exchange Act, and, as such, are not required to provide an auditor attestation of management’s assessment of internal control over financial reporting, which is generally required for SEC reporting companies under Section 404(b) of the Sarbanes-Oxley Act. Because we are not required to, and have not, had our auditor provide an attestation of our management’s assessment of internal control over financial reporting, a material weakness in internal controls may remain undetected for a longer period.

Changing rules, public disclosure regulations and stakeholder expectations on environmental, social and corporate governance (“ESG”) related matters and diversity, equity and inclusion (“DEI”) related matters expose us to potential liabilities, increased costs, reputational harm and other adverse effects on our business.

Following the decision of the U.S. Supreme Court in *Students for Fair Admissions, Inc. v. President and Fellows of Harvard College*, 600 U.S. 181 (2023) and the current administration, companies have begun to pull back from ESG and DEI initiatives in response to a changing legal and political climate. On January 21, 2025, the U.S. President issued an executive order titled “Ending Illegal Discrimination and Restoring Merit-Based Opportunity” mandating among other things that federal contractors cease any “affirmative action” in violation of civil rights law and calling on the Attorney General to produce and deliver a report containing “recommendations for enforcing Federal civil-rights laws and taking other appropriate measures to encourage the private sector to end illegal discrimination and preferences, including DEI.” As a result of these developments, companies must re-examine their DEI programs to ensure that do not run afoul of the law and risk enforcement action from the U.S. Department of Justice. In addition, in recent years “anti-ESG” sentiment has gained momentum across the U.S., with several states and Congress having proposed or enacted “anti-ESG” policies, legislation, or initiatives or issued related legal opinions.

If any of our clients fail to adequately address these developments, as a provider of staffing services, we may be exposed to risks to our business and potential reputational harm to the extent that our clients face investigations and enforcement actions stemming from their DEI or ESG policies. In addition, we and our clients may incur additional compliance costs in relation to the new legal and political landscape on ESG and DEI issues, which may adversely affect our business. Stakeholders also may have very different views on where our ESG and sustainability focus should be placed, including differing views of regulators in various jurisdictions in which we operate. Any failure, or perceived failure, by us to achieve our goals, further our initiatives, adhere to our public statements, comply with federal or state ESG laws and regulations, or meet evolving and varied stakeholder expectations and standards could result in reputational harm, loss of investor confidence, legal and regulatory proceedings against us and, materially adversely affect our business, reputation, results of operations, financial condition, and stock price.

We rely on our information systems, and if we lose our information processing capabilities or fail to further develop our technology, our business could be adversely affected.

Our success depends in large part upon our ability to store, retrieve, process, and manage substantial amounts of information, including our client and candidate databases. To achieve our strategic objectives and to remain competitive, we must continue to develop and enhance our information systems. This may require the acquisition of equipment and software and the development, either internally or through independent consultants, of new proprietary software. If we are unable to design, develop, implement, and utilize, in a cost-effective manner, information systems that provide the capabilities necessary for us to compete effectively, or if we experience any interruption or loss of our information processing capabilities, for any reason, this could adversely affect our business, financial condition, and results of operations.

Because we operate in an international environment, we are subject to greater cyber-security risks and incidents due to our broader and more distributed network footprint. Some of these threats may include attacks from foreign governments. While we continue to employ resources to monitor our systems and protect our infrastructure, any unauthorized access or use of information, virus or similar breach or disruption to our systems could result in disrupted operations, loss of information, damage to our reputation and customer relationships, and other significant liabilities, any of which could materially harm our business.

We also use mobile devices, social networking, and other online activities to connect with our candidates, clients, and business partners. While we have implemented measures to prevent security breaches and cyber incidents, our measures may not be effective, and any security breaches or cyber incidents could adversely affect our business, financial condition, and results of operations.

Data security and integrity are important to our businesses, and cybersecurity incidents, including but not limited to breaches, unauthorized access, or disclosure of confidential information, could result in a material loss of business, regulatory enforcement, substantial legal liability, and significant harm to our reputation, any of which could have a material adverse effect on our business, financial condition and results of operations.

Improper access to, misappropriation, destruction or disclosure of confidential, personal or proprietary data could result in significant harm to our reputation or the reputation of any of the businesses we own. We collect, store and transmit a large amount of confidential information on hundreds of millions of businesses, including financial information and personal

information, as well as certain consumer information and credit information. We operate in an environment of significant risk of cybersecurity incidents, whether from unintentional events or deliberate attacks by third parties or insiders, which may exploit sophisticated methods or obscure vulnerabilities.

One of our significant responsibilities is to maintain the security and privacy of our employees' and clients' confidential and proprietary information and the confidential information about clients' employees' compensation, health and benefits information and other personally identifiable information. Material failures, inadequacies, or interruptions in our information technology could result in substantial costs and losses, and similar events affecting third-party vendors could disrupt the products or services they provide to us or our customers.

We rely on commercially available systems, software, tools, and monitoring, as well as other applications and internal procedures and personnel, to safeguard confidential information. While we take various actions, and we incur significant costs, to maintain and protect the operation and security of our information technology and systems, they may not prevent all breaches, system malfunctions, or unauthorized access. Security incidents, including cyberattacks, viruses, fraud schemes, and similar schemes can create significant system disruptions, shutdowns, fraudulent transfer of assets, or unauthorized disclosure of confidential information. For example, in April 2019, we became aware that we had been a victim of criminal fraud commonly referred to as "business email compromise fraud." The incident involved the impersonation of one of our officers and improper access to his email, wherein the transfer by us of funds to a third-party account almost occurred.

Despite defensive measures, our exposure remains heightened due to the evolving nature of threats, advances in computing, new cryptographic techniques, and increasingly sophisticated methods such as phishing or social engineering. Any failure to maintain security, or similar failures by third-party vendors critical to our operations, could result in financial losses, operational interruptions, reputational harm, defaults under contracts, liability claims, or regulatory penalties, any of which could materially and adversely affect our business, financial condition, and results of operations. Failure to effectively manage system vulnerabilities or maintain and upgrade safeguards may lead to unexpected costs or increased susceptibility to unauthorized access.

Issues relating to the use of new and evolving technologies, such as Artificial Intelligence ("AI") and Machine Learning ("ML") present challenges for our business and may result in liability.

A quickly evolving social, legal and regulatory environment may cause us to incur increased operational and compliance costs, including increased research and development costs, or divert resources from other development efforts, to address potential issues related to usage of AI and ML. As with many cutting-edge innovations, AI and ML present new risks and challenges, and existing laws and regulations may apply to us in new ways, the nature and extent of which are difficult to predict. We incorporate AI and ML into our offerings for use cases that could potentially impact civil, privacy, or employment benefit rights. Failure to adequately address issues that may arise with such use cases could negatively affect the adoption of our solutions and subject us to reputational harm, regulatory action, or legal liability, which may harm our financial condition and operating results. Potential government regulation related to AI, including relating to ethics and social responsibility, may also increase the burden and cost of compliance and research and development. Employees, customers, or customers' employees who are dissatisfied with our public statements, policies, practices, or solutions related to the development and use of AI and ML may express opinions that could introduce reputational or business harm, or legal liability.

In addition, our operating businesses may be disrupted by new emergent tools that threaten our established business practices. If our clients invest heavily in obtaining or designing and implementing their own systems for recruitment using AI and ML, they may have reduced demand for our services. It is too early to determine the extent to which AI and ML may impact our business, but it is possible that these tools may negatively impact our business.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

We identify and address cybersecurity threats and risks related to our business using an interdisciplinary approach that includes assessments primarily by our management, IT team and legal department. To defend against, detect and respond to

cybersecurity incidents, we employ a multi-layered approach that has been integrated into our overall risk management systems and processes which includes, among other things: conducting proactive privacy and cybersecurity reviews of systems and applications, auditing applicable data policies, conducting employee training, monitoring emerging laws and regulations related to data protection and information security and continuously improving controls and implementing appropriate changes. During this process, the following factors, among others, are considered: likelihood and severity of risk, impact on the Company and others if a risk materializes, feasibility and cost of controls, and impact of controls on operations and others. Specific controls that are used to some extent include endpoint threat detection and response (EDR), identity and access management (IAM), privileged access management (PAM), logging and monitoring involving the use of security information and event management (SIEM), multi-factor authentication (MFA), firewalls and intrusion detection and prevention, and vulnerability and patch management.

The cybersecurity-control principles that form the basis of our cybersecurity program are informed by the National Institute of Standards and Technology Cybersecurity Framework. Our management performs an annual review of third-party service providers' SOC reports to verify appropriate controls are in place. Our Business Services segment undergoes an annual audit to ensure compliance with ISO 27001 controls.

In 2025, we did not identify any cybersecurity threats that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition. In addition, security controls, no matter how well designed or implemented, may only mitigate and not fully eliminate risks. And events, when detected by security tools or third parties, may not always be immediately understood or acted upon. Despite our ongoing efforts, we cannot eliminate all risks from cybersecurity threats, or provide assurances that we have not experienced undetected cybersecurity incidents.

Additionally, cybersecurity risks and threats that could have a material impact on the Company are discussed further in the Item 1A Risk Factors. Those sections of Item 1A should be read in conjunction with this Item 1C.

Cybersecurity Governance

Cybersecurity is an important part of our risk management processes and is an area of focus for our board of directors and management. Our board of directors, as a whole, has oversight responsibility for our strategic and operational risks, and ensures that appropriate risk mitigation strategies are implemented by management. Our audit committee assists the board of directors with this responsibility by periodically reviewing and discussing our risk assessment and risk management practices, including cybersecurity risks, with members of our management team, which is responsible for the assessment and management of cybersecurity risks.

In addition, we have retained an external consultant to serve as our internal audit function and to support our cybersecurity risk management and governance practices. Our consultant has substantial experience in cybersecurity risk management and information technology, including security, compliance, systems and programming and reports to our audit committee and our board of directors on any appropriate items.

The Global Director of Information Technology (GDIT) is the management position with primary responsibility for the development, operation, and maintenance of our information security program for the Business Services segment. The GDIT has over 25 years of experience as a security professional, and has completed the Prince 2 risk management certification at the practitioner level. Responsibilities of this role include management of third-party vendors, ensuring data interactions with outside parties, adhering to IT security best practices, and ensuring that all devices within the Business Services segment IT infrastructure are appropriately secured and managed. Responsibilities also encompass communication to senior management and future IT strategy and security planning for all segments, which may include outsourcing of certain responsibilities.

The Company's compliance committee and counsel are informed of all security incidents and are tasked with ensuring appropriate remediation activities are implemented. Results of audits and material security incidents are presented to the Board of Directors on a quarterly basis.

ITEM 2. PROPERTIES

All of the Company's offices are located in leased premises, with the exception of the properties owned by ADT. Our principal executive office and headquarters is located at 53 Forest Avenue, Suite 101, Old Greenwich, CT 06870, where we occupy space with approximately 4,000 aggregate square feet.

Our Building Solutions businesses utilizes 6 facilities, including (i) an 85,000 square foot office/manufacturing/warehouse space in South Paris, Maine, which the Company sold and immediately leased back in 2024; (ii) a 89,000 square foot manufacturing facility in Colfax, Wisconsin; (iii) a 10,800 square foot office/sales/showroom space in Oakdale, Minnesota; (iv) a 34,200 square foot production facility in Prescott, Wisconsin, which the Company sold and immediately leased back in 2024; (v) a facility containing 22,800 square feet of lumberyard/warehouse space in Hudson, Wisconsin; and (vi) a 22,300 square foot lumberyard/warehouse/showroom space in Big Lake, Minnesota. The latter property was sold and immediately leased back in July 2024. We also hold a non-operating building in Oxford, Maine with 90,000 square feet.

In our Business Services segment, the Company maintains offices in the Americas, Asia Pacific, and EMEA. In the Americas, the Company maintains 1 leased location with approximately 2,600 aggregate square feet; in Asia Pacific, the Company maintains 5 leased locations with approximately 18,900 aggregate square feet; and in EMEA, the Company maintains 1 leased location with approximately 3,600 aggregate square feet.

Within the Energy Services segment, ADT owns a 21,400 square foot property in Evanston, Wyoming, a 6,950 square foot property in Vernal, Utah, and a 5,000 square foot property in Midland, Texas.

All leased space is considered to be adequate for the operation of our business, and no difficulties are foreseen in meeting any future space requirements. See Note 11. *Leases* and Note 23. *Subsequent Events* for further detail on our leases.

ITEM 3. LEGAL PROCEEDINGS

The Company is involved in various legal proceedings that are incidental to the conduct of its business. See Note 20, *Commitments and Contingencies*, within the notes to our accompanying consolidated financial statements for a summary of any legal proceedings.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

MARKET FOR COMMON STOCK

The Company’s common stock was listed for trading on the NASDAQ Global Select Market through September 5, 2025 under the symbol "HSON". Following the Effective Time of the Merger, on August 22, 2025, the Company issued its preferred stock under the symbol "HSONP". Effective September 5, 2025, in connection with the Company’s name change, the ticker symbol for the Company’s common stock was changed to "STRR" and the symbol for the Company’s preferred stock was changed to "STRRP". As of January 31, 2026, there were approximately 183 holders of record of the Company’s common stock. The actual number of stockholders is greater than this number of holders of record and includes stockholders who are beneficial owners but whose shares are held in street name by brokers and other nominees. This number of holders of record also does not include stockholders whose shares may be held in trust by other entities.

The following is a list by fiscal quarter of the market prices of the Company’s common stock.

	Market Price	
	High	Low
2025		
Fourth quarter	\$ 11.99	\$ 9.31
Third quarter	\$ 11.99	\$ 8.26
Second quarter	\$ 10.74	\$ 8.28
First quarter	\$ 13.65	\$ 10.01
2024		
Fourth quarter	\$ 16.28	\$ 11.73
Third quarter	\$ 19.70	\$ 14.71
Second quarter	\$ 18.38	\$ 14.76
First quarter	\$ 18.52	\$ 13.38

DIVIDENDS

In the last few years, the Company has not paid dividends, and there are no current plans to declare common stock dividends. The Company has paid preferred stock dividends, as described in Note 15. *Perpetual Preferred Stock*.

ISSUER PURCHASES OF EQUITY SECURITIES

The Company’s purchases of its common stock during the fourth quarter of fiscal 2025 were as follows:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs ^(a)
October 1, 2025 - October 31, 2025	—	\$ —	—	\$ 2,546,662
November 1, 2025 - November 30, 2025	—	\$ —	—	\$ 2,546,662
December 1, 2025 - December 31, 2025	5,964	\$ 11.03	5,964	\$ 2,480,801
Total	<u>5,964</u>	<u>\$ 11.03</u>	<u>5,964</u>	<u>\$ 2,480,801</u>

- (a) On August 8, 2023, the Company’s Board of Directors authorized a share repurchase program for up to \$5 million of the Company’s outstanding common stock. The Company continues to view share repurchases as an attractive use of capital and may repurchase shares from time to time, as market conditions warrant, through open market purchases, privately negotiated transactions, block trades, or other methods, in accordance with applicable federal securities laws, including Rule 10b-18 of the Securities Exchange Act of 1934 (the “Exchange Act”). This authorization does not expire.

During the year ended December 31, 2025, the Company completed its \$5 million share repurchase program authorized on August 8, 2023. On September 10, 2025, the Board of Directors authorized a new common stock repurchase program under which the Company may repurchase up to \$3 million of its outstanding Common Stock. During the year ended December 31, 2025, the Company repurchased a total of 280,886 shares of its Common Stock for an aggregate cost of \$2.6 million under these authorizations. Of this total, 261,052 shares were repurchased on September 25, 2025, in connection with a transaction with a certain shareholder totaling \$2.4 million, and the remaining 19,834 shares were repurchased on the open market for a cost of \$0.2 million. As of December 31, 2025, under the July 30, 2015, August 8, 2023 and September 10, 2025 authorizations combined, the Company had repurchased an aggregate of 948,382 shares for a total cost of \$15.5 million, completing the August 8, 2023 authorization and leaving \$2.5 million available for purchase under the September 10, 2025 authorization. During the year ended December 31, 2024 the Company repurchased a total of 154,084 shares of its Common Stock for a cost of \$2.5 million under this authorization. Of these shares, 44,250 shares were repurchased on January 29, 2024 in connection with a transaction with a certain shareholder totaling \$0.7 million that excludes tax withholdings. The Company also repurchased 69,567 shares during the second quarter in connection with transactions with certain shareholders totaling \$1.2 million, as well as 40,267 shares of its common stock on the open market for a cost of \$0.7 million.

ITEM 6. RESERVED

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with the Consolidated Financial Statements and the notes thereto, included in Item 8 of this Form 10-K. This MD&A contains forward-looking statements. Please see "FORWARD-LOOKING STATEMENTS" for a discussion of the uncertainties, risks, and assumptions associated with these statements. This MD&A also uses the non-generally accepted accounting principle measure of earnings before interest, taxes, depreciation and amortization ("EBITDA"). See Note 18 to the Consolidated Financial Statements in Item 8 for EBITDA segment reconciliation information. Note that amounts within this Item shown in millions may not recalculate due to rounding.

This MD&A includes the following sections:

- Executive Overview
- Results of Operations
- Liquidity and Capital Resources
- Contingencies
- Critical Accounting Estimates
- Recent Accounting Pronouncements
- Forward-Looking Statements

Executive Overview

Star Equity Holdings, Inc. (“Star Equity,” “Star,” the “Company,” “we,” or “our,” formerly known as Hudson Global, Inc. (“Hudson”)) is a diversified multi-industry holding company operating through four reportable segments: Building Solutions, Business Services, Energy Services, and Investments. Our common stock and 10% Series A Cumulative Perpetual Preferred Stock are listed on the Nasdaq Global Market under the symbols “STRR” and “STRRP,” respectively.

The Building Solutions segment operates in the construction industry. The Business Services segment, which consists of HTS, delivers customized recruitment and contracting solutions to mid-to-large multinational companies, including Recruitment Process Outsourcing (“RPO”), project-based RPO, contingent workforce solutions, recruitment consulting, outsourced professional contract staffing, and MSP services. The Energy Services segment consists of ADT, which manufactures and supplies specialized drilling tools and downhole equipment used in directional drilling and other oil and gas well construction applications. The Investments segment holds and manages certain corporate-owned real estate assets and investments in a limited number of publicly traded and private companies.

Merger

On August 22, 2025, Star completed its previously announced acquisition of Star Operating Companies (formerly known as Star Equity Holdings, Inc.) pursuant to the Merger Agreement, by and among Star, SOC and Merger Sub. Upon the terms and subject to the conditions of the Merger Agreement, on August 22, 2025, at the Effective Time of the Merger, Merger Sub merged with and into SOC, with SOC continuing as the surviving corporation of the Merger under the name “Star Operating Companies, Inc.” as a wholly owned subsidiary of Star. Capitalized terms used herein but not defined have the meanings set forth in the Merger Agreement.

Pursuant to the terms of the Merger Agreement, at the Effective Time, (i) each share of common stock of SOC issued and outstanding immediately prior to the Effective Time (other than certain shares as set forth in the Merger Agreement) were automatically converted into the right to receive 0.23 shares of Star common stock and (ii) each share of preferred stock of SOC issued and outstanding immediately prior to the Effective Time (other than certain shares set forth in the Merger Agreement) were automatically converted into the right to receive one (1) share of Star 10% Series A Cumulative Perpetual Preferred Stock. As a result of the Merger, former SOC common stockholders received approximately 744,291 shares of Star common stock for their SOC common shares and former SOC preferred stockholders received approximately 2,690,637 shares of Star Preferred Stock. No fractional shares of Star common stock were issued in the Merger, and SOC stockholders became entitled to receive cash in lieu of fractional shares in accordance with the Merger Agreement.

In addition, pursuant to the terms of the Merger Agreement, at the Effective Time, each award of SOC RSUs outstanding immediately prior to the Effective Time was converted into Star RSUs issued under the Hudson Global, Inc. 2009 Incentive Stock and Awards Plan, as amended (the “Plan”), in accordance with the Merger Agreement.

Amendment to Certificate of Incorporation

On September 4, 2025, Star Equity filed an Amendment to the Company’s Charter, to affect the Name Change. The Name Change was approved by the Company’s Board on September 2, 2025, and became effective at 12:01 a.m. (Eastern Time) on September 5, 2025.

Segments

The Company’s Building Solutions segment consists of the following operating businesses: KBS; EdgeBuilder; Glenbrook; and TT. KBS, based in Maine, manufactures modular buildings, primarily serving the single-family and multi-family residential markets in New England. EBGL, based in the Minneapolis–Saint Paul area, manufactures and delivers structural wall panels and other engineered wood-based products and distributes building materials through two lumberyard locations, primarily serving professional builder customers in the Upper Midwest region. TT, located outside the Minneapolis–Saint Paul area, manufactures glulam products for a range of end markets and applications, including agriculture, industrial, infrastructure, and building construction (commercial and residential).

The Business Services segment consists of HTS and provides customized recruitment and contracting solutions to mid-to-large multinational companies. Service offerings include RPO, project-based RPO, contingent workforce solutions, recruitment consulting, outsourced professional contract staffing, and MSP services. HTS operates directly in eighteen countries across three geographic regions: the Americas, Asia Pacific, and Europe, Middle East, and Africa. HTS delivery teams utilize standardized recruitment methodologies and project management expertise to support clients' ongoing workforce requirements. HTS leverages its consultants and proprietary processes to identify, select, and engage talent for critical client roles. In addition, clients may receive outsourced professional contract staffing services and MSP solutions, offered on a standalone basis or as part of an integrated total talent solution. HTS-employed professionals are placed with client organizations, individually or as teams, for defined periods based on specific business requirements.

The Business Services segment provides talent and workforce solutions, including Talent Advisory, Executive Search, Talent Technology, and RPO. The Business Services segment primarily serves mid-to-large multinational organizations and operates in twenty-one countries across the Americas, Asia Pacific, and Europe, Middle East and Africa ("EMEA").

The Business Services segment delivers customized talent solutions that support clients' workforce planning and hiring needs. Its services include advisory and consulting services, executive and professional search, and outsourced recruiting programs.

The Business Services segment's RPO offering utilizes a proprietary recruiting platform, *HudsonFlow*, incorporating agentic artificial intelligence capabilities designed to support candidate sourcing, screening, and interview coordination. These technology-enabled capabilities are combined with recruiting professionals and industry specialists who manage client engagements and candidate evaluation.

The Business Services segment delivers services through a range of engagement models, including fully outsourced recruitment programs, project-based recruiting engagements, contingent workforce solutions, and targeted search assignments for permanent hires. The Business Services segment also provides outsourced contract staffing and managed service provider solutions under which professionals employed by the Company are placed with client organizations for defined periods based on the clients' business needs.

The Company's Energy Services segment consists of ADT, a Wyoming and Texas based provider of drilling tools and services to the energy industry, a key sector of the economy. ADT is a full-service downhole drilling tool company that provides sales and rental tools in the Oil & Gas, Geothermal, Mining, and Waterwells sectors. ADT is strategically located near premier oilfields in the Rockies, a geothermal and mining hub, and in Midland, TX within the Permian Basin. ADT's business model allows the majority of costs, such as freight, repairs, and damages, to be passed directly to customers.

The Investments segment holds and manages certain of our corporate-owned real estate, including a manufacturing facility in Maine that is leased to KBS and a manufacturing facility in Wisconsin that is leased to TT. The Investments segment holds and manages certain corporate-owned real estate assets and investments in a limited number of publicly traded and private companies. SOC acquired these interests in May 2023 as a result of the sale of Digirad Health. The Investments segment also holds an investment in Enservco Corporation consisting of an investment in Enservco Common Stock, an investment in Enservco Preferred Stock, and an investment in a call option, all of which were acquired in the third quarter of 2024 and which currently have a carrying value of zero. See Note 18, *Supplementary Balance Sheet Information* to the notes to our accompanying consolidated financial statements.

This MD&A discusses the results of the Company's business for the years ended December 31, 2025 and 2024.

Current Market Conditions

The target customers for our Building Solutions segment include professional home builders, general contractors, project owners, developers, and design firms. Despite a higher interest rate environment, we continue to experience meaningful demand for our products; however, certain projects have been delayed as customers secure and finalize financing. We have benefited from implementing both price increases and margin protection language in our contracts, and these changes have had a positive effect on our profitability. Although we have experienced slower business activity and lower revenues over the past four quarters, we believe this slowdown is temporary. Our sales pipelines continue to indicate strong potential demand for our services, but we can give no assurances as to our ability to compete for these opportunities, or the periods during which successfully negotiated projects will be completed.

In our Business Services segment, our clients' demands for RPO and contracting services largely depend on the market conditions and the strength of the labor markets in the countries where we operate. In 2025, the market conditions remained challenging due to persistent inflation, market uncertainty related to trade disruptions, and decreased demand for labor in certain markets. We anticipate that these challenging market conditions will continue into 2026.

In our Energy Services segment, demand for our products is closely tied to oil prices, as customer drilling activity and capital spending are influenced by prevailing market conditions. Higher and stable oil prices generally support increased drilling and tool utilization, while lower or volatile prices may reduce activity and negatively impact our revenues and operating results. During 2025, improved oil prices contributed to increased customer activity, and the segment delivered strong performance.

Economic conditions in many of the world's major markets remained uncertain throughout 2025. While inflationary pressures moderated in certain regions, elevated interest rates and tighter credit conditions continued to impact market activity. These conditions contributed to wage pressures, higher operating costs, staffing challenges, fluctuating consumer confidence, and constrained access to capital markets, each of which affected our business. In connection with this environment, some customers reduced demand for our services, and certain others temporarily deferred or permanently discontinued engagements. Ongoing macroeconomic uncertainty, including the potential for renewed inflationary pressures or changes in interest rate policy, could have material adverse effects on various aspects of our business in future periods.

Economic uncertainty has also continued to contribute to volatility in global currency markets. Fluctuations in foreign exchange rates relative to the U.S. dollar during reporting periods impact the translation of our foreign operations' results into U.S. dollars and may affect comparability of reported results.

We continue to explore all strategic alternatives to maximize value for the Company's stockholders, including without limitation, improving the market position and profitability of our services in the marketplace, and enhancing our valuation. We may pursue our goals through organic growth, strategic initiatives, or other alternatives. Additionally, we will continue to monitor capital markets for opportunities to repurchase shares, and consider other actions designed to enhance value to our stockholders, as well as review information regarding potential acquisitions or combinations, and provide information to third parties regarding potential dispositions of assets or business lines, from time to time.

Summary of Financial Performance Highlights For the Year Ended December 31, 2025

- Revenue was \$172.2 million for the year ended December 31, 2025, compared to \$140.1 million for the same period in 2024, an increase of \$32.1 million, or 22.9%. The increase in revenue was principally driven by the inclusion of revenues from the Star Operating Companies acquisition, which contributed 23 percentage points to the revenue growth.
- Gross profit was \$79.9 million for the year ended December 31, 2025, compared to \$70.2 million for the same period in 2024, an increase of \$9.7 million, or 13.9%. The increase in gross profit was driven by the acquisition of Star Operating Companies, which increased gross profit growth by 12 percentage points.
- SG&A and Non-Op other income (expense) was \$2.8 million for the year ended December 31, 2025, compared to \$72.6 million for the same period in 2024. The acquisition of Star Operating Companies increased SG&A and Non-Op other income (expense) by \$7.3 million, which contributed 10 percentage points to the increase.
- EBITDA loss was \$2.0 million for the year ended December 31, 2025, compared to EBITDA loss of \$2.5 million for the same period in 2024.
- Net loss attributable to common shareholders was \$6.7 million for the year ended December 31, 2025, compared to net loss of \$4.8 million for the same period in 2024.

Use of EBITDA (Non-GAAP Financial Measure)

Management believes EBITDA is a meaningful indicator of the Company's performance that provides useful information to investors regarding the Company's financial condition and results of operations. EBITDA is considered by management as an indicator of operating performance and the most comparable measure across the regions in which we operate. Management uses this measurement to evaluate capital needs and working capital requirements. Similar to constant currency, EBITDA should not be considered in isolation or as a substitute for operating income or net income prepared in accordance with U.S. GAAP or as a measure of the Company's profitability. EBITDA is derived from net income (loss) adjusted for the provision for (benefit from) income taxes, interest expense (income), and depreciation and amortization.

The reconciliation of EBITDA to the most directly comparable U.S. GAAP financial measure is provided in the table below:

\$ in thousands	Year Ended December 31,	
	2025	2024
Net loss attributable to common shareholders	\$ (6,657)	\$ (4,770)
Dividends on Series A perpetual preferred stock	740	—
Net loss	(5,917)	(4,770)
<u>Adjustments to net (loss) income</u>		
Provision for income taxes	2,061	1,300
Interest income, net	(260)	(360)
Depreciation and amortization expense-within cost of revenues	866	—
Depreciation and amortization expense -within selling, general and administrative expense	1,212	1,361
Total adjustments from net (loss) income to EBITDA	3,879	2,301
EBITDA loss	\$ (2,038)	\$ (2,469)

Results of Operations

Building Solutions

Revenue - Building Solutions

\$ in millions	Year Ended December 31,			
	2025	2024	Change in amount	Change in %
Building Solutions				
Revenue	\$ 27.6	\$ —	\$ 27.6	N/A

For the year ended December 31, 2025, Building Solutions contributed \$27.6 million to the Company's revenue. Performance during the year reflects a recovery from macroeconomic headwinds and severe Midwest flooding that delayed project starts in the prior year. Activity improved for much of the year, supported by backlog and steady project execution, though residential demand remained somewhat slower than expected. Toward year-end, activity softened due to weather-related site shutdowns, shipment timing delays, and certain projects shifting into Q1 2026, with December order activity also lighter due to seasonal factors.

Gross Profit - Building Solutions

\$ in millions	Year Ended December 31,			
	2025	2024	Change in amount	Change in %
Building Solutions				
Gross profit	\$ 6.3	\$ —	\$ 6.3	N/A

For the year ended December 31, 2025, Building Solutions contributed \$6.3 million to the Company's gross profit. Performance during the period reflects higher activity levels and improved project mix for much of the year, which supported better overhead absorption and steady margin performance. This was aided by consistent execution on project scope, scheduling, and cost management, though residential activity remained somewhat softer and moderated margin expansion. Toward year-end, lower revenue levels reduced gross profit dollars, and margins were modestly pressured by lower production volumes, higher temporary labor and freight costs, and inefficiencies associated with early-stage production on certain projects.

SG&A and Non-Op other income (expense) - Building Solutions

\$ in millions	Year Ended December 31,			
	2025	2024	Change in amount	Change in %
Building Solutions				
SG&A and Non-Op other income (expense)	\$ 4.1	\$ —	\$ 4.1	N/A
SG&A and Non-Op other income (expense) as a percentage of revenue	15 %	N/A	N/A	N/A

For the year ended December 31, 2025, Building Solutions SG&A and Non-op other income (expense) was 4.1 million or 15% of revenue. Expenses were generally in line with normal operating levels, with lower third-party commission costs contributing to a modest reduction in overall SG&A for the period.

Operating (Loss) Income and EBITDA - Building Solutions

\$ in millions	Year Ended December 31,			
	2025	2024	Change in amount	Change in %
Building Solutions				
Operating income	\$ 2.0	\$ —	\$ 2.0	N/A
EBITDA	\$ 2.4	\$ —	\$ 2.4	N/A
EBITDA as a percentage of revenue	9 %	N/A	N/A	N/A

For the year ended December 31, 2025, Building Solutions generated operating income of \$2.0 million and EBITDA of \$2.4 million, or 9% of revenue. Stronger volumes and an improved project mix, together with disciplined execution and controlled SG&A, supported the segment's operating performance during the period. Late in the year, EBITDA was affected by

the same factors that pressured gross margins, including lower production volumes, higher temporary labor and freight costs, and early-stage production inefficiencies on certain projects.

Business Services

Revenue - Business Services

\$ in millions	Year Ended December 31,			
	2025	2024	Change in amount	Change in %
Business Services				
Revenue	\$ 139.7	\$ 140.1	\$ (0.4)	— %

For the year ended December 31, 2025, revenue decreased \$0.4 million compared to 2024, driven by a decrease in contracting revenue of \$0.8 million, partially offset by an increase in RPO revenue of \$0.4 million, as discussed below.

In the Americas, revenue increased \$1.5 million, or 5%, for the year ended December 31, 2025, compared to the same period in 2024. The increase was primarily driven by RPO revenue, which increased \$1.1 million, or 5%, while contracting revenue increased \$0.4 million, or 12%, due to higher demand from existing clients as well as new client wins. In Asia Pacific, revenue increased \$0.1 million for the year-ended December 31, 2025, compared to the same period in 2024. RPO revenue increased \$2.4 million, or 9%, due to stronger existing client demand, while contracting revenue decreased \$2.3 million, or 4%, due to lower client demand. In EMEA, revenue decreased \$2.1 million, or 8%, for the year-ended December 31, 2025, compared to the same period in 2024, driven by a decline in RPO revenue of \$3.2 million, or 20%, partly offset by an increase in contracting revenue of \$1.1 million, or 12%.

Gross Profit - Business Services

\$ in millions	Year Ended December 31,			
	2025	2024	Change in amount	Change in %
Business Services				
Gross Profit	\$ 71.8	\$ 70.2	\$ 1.6	2 %

For the year ended December 31, 2025, gross profit increased \$1.6 million or 2%, driven by an increase in contracting gross profit of \$1.0 million and an increase in RPO gross profit of \$0.7 million, compared to the same period in 2024.

In the Americas, gross profit increased by \$1.1 million, or 4%, for the year ended December 31, 2025, compared to the same period in 2024. The growth reflects a \$0.9 million, or 4%, increase in RPO gross profit, along with a \$0.2 million, or 24%, increase in contracting gross profit. In Asia Pacific, gross profit increased by \$3.4 million, or 12%, for the year ended December 31, 2025, compared to the same period in 2024, driven by an increase in RPO gross profit of \$2.5 million and an increase in contracting gross profit of \$0.9 million, driven by higher demand from existing clients. In EMEA, gross profit declined by \$2.9 million, or 19%, for the year ended December 31, 2025, compared to the same period in 2024, primarily driven by a decrease in RPO gross profit of \$2.8 million, or 18%. The decrease in gross profit was due to lower client demand.

SG&A and Non-Op other income (expense) - Business Services

\$ in millions	Year Ended December 31,			
	2025	2024	Change in amount	Change in %
Business Services				
SG&A and Non-Op other income (expense)	\$ 70.4	\$ 69.0	\$ 1.4	2 %
SG&A and Non-Op other income (expense) as a percentage of revenue	50 %	50 %	—	N/A

For the year ended December 31, 2025, SG&A and Non-Op other income (expense) increased \$1.4 million, or 2%, compared to the same period in 2024, while SG&A and Non-Op other income (expense) as a percentage of revenue remained unchanged at 50%.

Operating Income and EBITDA - Business Services

\$ in millions	Year Ended December 31,			
	2025	2024	Change in amount	Change in %
Business Services				
Operating income	\$ 1.9	\$ 1.0	\$ 1.0	97 %
EBITDA	\$ 1.4	\$ 1.1	\$ 0.3	24 %
EBITDA as a percentage of revenue	1 %	1 %	N/A	N/A

For the year ended December 31, 2025, operating income was \$1.9 million, compared to operating income of \$1.0 million in 2024, and EBITDA was \$1.4 million, or 1% of revenue, compared to EBITDA of \$1.1 million, or 1% of revenue, in 2024.

Energy Services**Revenue - Energy Services**

\$ in millions	Year Ended December 31,			
	2025	2024	Change in amount	Change in %
Energy Services				
Revenue	\$ 4.9	\$ —	\$ 4.9	N/A

For the year ended December 31, 2025, Energy Services contributed \$4.9 million in revenue, reflecting a gradual recovery in drilling activity across key markets. While market conditions in the sector in the first half of the year was subdued due to lower rig counts, the segment continued to capture market share through competitive pricing and strong customer relationships. Activity accelerated in the third quarter, supported by growth in non-oil-and-gas demand, and focused sales efforts in high-growth areas such as the Permian Basin.

Gross Profit - Energy Services

\$ in millions	Year Ended December 31,			
	2025	2024	Change in amount	Change in %
Energy Services				
Gross Profit	\$ 1.9	\$ —	\$ 1.9	N/A

For the period ended December 2025, the contribution of Energy Services to the Company's Gross Profit was \$1.9 million. Margins were maintained despite tough pricing driven by lower U.S. rig counts in 2025. The segment continued to gain market share through competitive pricing and strong customer relationships, helping to support gross profit during a period of softer overall pricing in the market.

SG&A and Non-Op other income (expense) - Energy Services

\$ in millions	Year Ended December 31,			
	2025	2024	Change in amount	Change in %
Energy Services				
SG&A and Non-Op other income (expense)	\$ 1.4	\$ —	\$ 1.4	N/A
SG&A and Non-Op other income (expense) as a percentage of revenue	29 %	N/A	N/A	N/A

For the year ended December 31, 2025, Energy Services' SG&A and non-operating other income (expense) totaled \$1.4 million or 29% of revenue. Expenses were generally in line with normal operating levels, with a slight increase in sales commissions reflecting efforts to expand market share during the period.

Operating Income and EBITDA - Energy Services

\$ in millions	Year Ended December 31,			
	2025	2024	Change in amount	Change in %
Energy Services				
Operating income	\$ 0.4	\$ —	\$ 0.4	N/A
EBITDA	\$ 1.0	\$ —	\$ 1.0	N/A
EBITDA as a percentage of revenue	21 %	N/A	N/A	N/A

For the year ended December 31, 2025, Energy Services reported an operating income of \$0.4 million and EBITDA of \$1.0 million or 21% of revenue. Despite tough pricing in a softer rig environment, disciplined execution, competitive pricing, and targeted sales efforts supporting market-share gains helped the segment achieve positive EBITDA for the period.

Investments**Revenue-Investments**

\$ in millions	Year Ended December 31,			
	2025	2024	Change in amount	Change in %
Investments				
Revenue	\$ 0.2	\$ —	\$ 0.2	N/A

For the year ended December 31, 2025, Investments contributed \$0.2 million to the Company's revenue, reflecting rental income from owned properties.

Gross Profit - Investments

\$ in millions	Year Ended December 31,			
	2025	2024	Change in amount	Change in %
Investments				
Gross profit	\$ 0.1	\$ —	\$ 0.1	N/A

For the year ended December 31, 2025, Investments contributed \$0.1 million to the Company's gross profit, reflecting rental income after accounting for property depreciation.

SG&A and Non-Op other income (expense) - Investments

\$ in millions	Year Ended December 31,			
	2025	2024	Change in amount	Change in %
Investments				
SG&A and Non-Op other income (expense)	\$ 0.2	\$ —	\$ 0.2	N/A
SG&A and Non-Op other income (expense) as a percentage of revenue	108 %	N/A	N/A	N/A

For the year ended December 31, 2025, Investments SG&A and Non-Op other income (expense) was \$0.2 million.

Operating (Loss) Income and EBITDA - Investments

\$ in millions	Year Ended December 31,			
	2025	2024	Change in amount	Change in %
Investments				
Operating loss	\$ (0.01)	\$ —	\$ (0.01)	N/A
EBITDA (loss)	\$ (0.01)	\$ —	\$ (0.01)	N/A
EBITDA (loss) as a percentage of revenue	(8)%	N/A	N/A	N/A

For the year ended December 31, 2025, Investments operating loss was \$0.01 million, and EBITDA loss was \$0.01 million, or 8% of revenue.

Additional Results of Operations

Corporate expenses

For the year ended December 31, 2025, corporate expenses were \$6.9 million compared to \$3.6 million in 2024, an increase of \$3.3 million, or 92%. The increase was primarily due to professional fees associated with the acquisition of Star Operating Companies.

Total Depreciation and Amortization Expense

Depreciation and amortization expense, including amounts in Cost of Revenues, was \$2.1 million and \$1.4 million for the years ended December 31, 2025 and 2024, respectively.

Interest Income, Net

Net interest income was \$0.3 million and \$0.4 million for the years ended December 31, 2025 and 2024, respectively.

Other Income (Expense), Net

Net other expense was \$0.4 million for the year ended December 31, 2025, as opposed to net other expense of \$0.0 million for the same period in 2024.

Provision for (benefit from) Income Taxes

The provision for income taxes for the year ended December 31, 2025 was \$2.1 million, on \$3.9 million of pre-tax loss, compared to a provision from income taxes of \$1.3 million on \$3.5 million of pre-tax loss for 2024. The effective tax rate ("ETR") for the year ended December 31, 2025 was negative 53%, compared to negative 37% for 2024. For the year ended December 31, 2025, the effective tax rates differed from the U.S. federal statutory rate of 21% primarily due to pre-tax losses for which no tax benefit can be recognized, changes in valuation allowances in the U.S., China, and certain foreign jurisdictions that reduce or eliminate the ETR on current year profits or losses, foreign tax rate differences, and non-deductible expenses. For the year ended December 31, 2024, the effective tax rates differed from the U.S. federal statutory rate of 21% primarily due to pre-tax losses for which no tax benefit can be recognized, changes in valuation allowances in the U.S., China, and certain foreign jurisdictions that reduce or eliminate the ETR on current year profits or losses, foreign tax rate differences, and non-deductible expenses. The current year ETR differs significantly from the prior year ETR primarily due to the interaction of similar rate reconciliation items, including change in valuation allowance, combined with a shift in the geographic mix of earnings toward higher-tax jurisdictions, including Australia.

Net (Loss) Income Attributable to Common Shareholders

Net loss attributable to common shareholders was \$6.7 million for the year ended December 31, 2025, compared to net loss of \$4.8 million for 2024, an increase in net loss of \$1.9 million. Basic and diluted loss per share was \$2.08 for the year ended December 31, 2025, compared to basic and diluted loss per share of \$1.59 in 2024.

Liquidity and Capital Resources

As of December 31, 2025, cash and cash equivalents and restricted cash totaled \$13.4 million, as compared to \$17.7 million as of December 31, 2024. The following table summarizes the cash flow activities for the years ended December 31, 2025 and 2024:

\$ in millions	For The Year Ended December 31,	
	2025	2024
Net cash used in operating activities	\$ (7.3)	\$ (2.8)
Net cash provided by investing activities	4.6	1.1
Net cash used in financing activities	(2.0)	(3.1)
Effect of exchange rates on cash, cash equivalents, and restricted cash	0.4	(0.7)
Net decrease in cash, cash equivalents, and restricted cash	\$ (4.3)	\$ (5.5)

Cash Flows from Operating Activities

For the year ended December 31, 2025, net cash used in operating activities was \$7.3 million, as compared to \$2.8 million of net cash used in operating activities for the same period in 2024, resulting in an increase in net cash used in operating activities of \$4.5 million. The decline in cash was principally from the Company's lower net income in 2025, partially offset by more favorable working capital comparisons to the prior year.

Cash Flows from Investing Activities

For the year ended December 31, 2025, net cash provided by investing activities was \$4.6 million, compared to \$1.1 million of net cash provided by investing activities in 2024. Net cash provided by investing activities in 2025 reflects \$7.0 million in cash received in connection with the SOC acquisition, while net cash used in investing activities in 2024 primarily reflects cash received from benefit payouts.

Cash Flows from Financing Activities

For the year ended December 31, 2025, net cash used in financing activities was \$2.0 million, compared to \$3.1 million in 2024. The decrease in net cash used was primarily attributed to borrowing under credit facilities. Repurchases of shares of common stock were \$2.6 million in 2025, including cash paid for tax withholdings, compared to repurchases of \$2.8 million in the previous year.

Credit Facilities

See Note 9, Debt, in the accompanying notes to the consolidated financial statements for further details.

Liquidity and Capital Resources Outlook

As of December 31, 2025, the Company had cash and cash equivalents on hand of \$10.3 million, as well as our lines of credit and other debt instruments. Other than as described in Note 9 – Debt in the consolidated financial statements included in Part II, Item 8 of this Form 10-K, the Company has no financial guarantees, outstanding debt or other lease agreements or arrangements that could trigger a requirement for an early payment or that could change the value of our assets. The Company believes that it has sufficient liquidity to satisfy its needs through at least the next 12 months, based on the Company's financial position as of December 31, 2025. The Company's near-term cash requirements during 2025 are primarily related to the funding of the Company's operations.

As of December 31, 2025, \$5.2 million of the Company's cash and cash equivalents noted above were held in the U.S. and the remainder were held outside the U.S., primarily in Singapore (\$1.3 million) Philippines (\$0.9 million), the U.K. (\$0.9 million), Hong Kong (\$0.8 million), and India (\$0.3 million). The majority of the Company's offshore cash is available to it as a source of funds, net of any tax obligations or assessments.

Off-Balance Sheet Arrangements

As of December 31, 2025, the Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Contingencies

From time to time in the ordinary course of business, the Company is subject to compliance audits by U.S. federal, state, local, and foreign government regulatory, tax, and other authorities relating to a variety of regulations, including wage and hour laws, unemployment taxes, workers' compensation, immigration, and income, value-added, and sales taxes. The Company is also subject to, from time to time in the ordinary course of business, various claims, lawsuits, and other complaints from, for example, clients, candidates, suppliers, landlords for both leased and subleased properties, former and current employees, and regulators or tax authorities. Periodic events and management actions such as business reorganization initiatives can change the number and types of audits, claims, lawsuits, contract disputes, or complaints asserted against the Company. Such events can also change the likelihood of assertion and the behavior of third parties to reach resolution regarding such matters.

The economic conditions in the recent past have given rise to many news reports and bulletins from clients, tax authorities and other parties about changes in their procedures for audits, payment, plans to challenge existing contracts and other such matters aimed at being more aggressive in the resolution of such matters in their own favor. The Company believes that it has appropriate procedures in place for identifying and communicating any matters of this type, whether asserted or likely to be asserted, and it evaluates its liabilities in light of the prevailing circumstances. Changes in the behavior of third parties could cause the Company to change its view of the likelihood of a claim and what might constitute a trend. Employment laws vary in the markets in which we operate, and in some cases, employees and former employees have extended periods during which they may bring claims against the Company.

For matters that reach the threshold of probable and estimable, the Company establishes reserves for legal, regulatory, and other contingent liabilities. The Company had \$0.2 million and \$0.0 million of legal reserves as of December 31, 2025 and 2024, respectively. Although the outcome of these matters cannot be determined, the Company believes that none of the currently pending matters, individually or in the aggregate, will have a material adverse effect on the Company's financial condition, results of operations, or liquidity.

Critical Accounting Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our Consolidated Financial Statements, which have been prepared in accordance with U.S. GAAP. The preparation of financial statements in accordance with U.S. GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. U.S. GAAP provides the framework from which to make these estimates, assumptions and disclosures. We choose accounting policies within U.S. GAAP that our management believes are appropriate to accurately and fairly report our operating results and financial position in a consistent manner. Our management regularly assesses these policies in light of current and forecasted economic conditions. Our accounting policies are stated in Note 2 to the Consolidated Financial Statements in Item 8. We believe the following accounting policies are critical to understanding our results of operations and affect the more significant judgments and estimates used in the preparation of our Consolidated Financial Statements that are inherently uncertain.

Revenue Recognition

Business Services

The Company recognizes revenue for our RPO business over time in an amount that reflects the consideration we expect to be entitled to and have an enforceable right to payment in exchange for our services. The client simultaneously receives and consumes the benefits of the services as they are provided. The transaction prices contain both fixed fee and variable usage-based consideration. Variable usage-based consideration is constrained by candidates accepting offers of permanent employment. We recognize revenue on the fixed fee as the performance obligations are satisfied and usage-based fees as the constraint is lifted. We do not incur incremental costs to obtain our RPO contracts. The costs to fulfill these contracts are expensed as incurred.

The Business Services segment recognizes revenue for our contracting services over time as services are performed in an amount that reflects the consideration we expect to be entitled to and have an enforceable right to payment in exchange for

our services, which is generally calculated as hours worked multiplied by the agreed-upon hourly bill rate. The client simultaneously receives and consumes the benefits of the services as they are provided. We do not incur incremental costs to obtain our contracting contracts. The costs incurred to fulfill these contracts are expensed as incurred.

Building Solutions and Energy Services

We recognize revenue when a customer obtains control of promised goods or services. We record the amount of revenue that reflects the consideration that we expect to receive in exchange for those goods or services. We apply the following five-step model in order to determine this amount: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation.

Revenue recognition is evaluated on a contract basis. Performance obligations are satisfied over time as work progresses or at a point in time. From time-to-time we enter into contracts within our building solutions sector that produce assets with no alternative use and contain an enforceable right to payment, including a reasonable profit margin. Determining if an enforceable right to payment includes a reasonable profit margin requires judgment and is assessed on a contract by contract basis. For contracts requiring over time revenue recognition, the selection of the method to measure progress towards completion requires judgment and is based on the nature of the products or services to be provided. We use a cost-based input measurement of progress because it best depicts the transfer of assets to the customer, which occurs as costs are incurred during the manufacturing process or as services are rendered. Under the cost-based measure of progress, the extent of progress towards completion is measured based on the costs incurred to date. We had no contracts in place as of December 31, 2025 that require recognition over time.

As a practical expedient, we do not disclose the value of unsatisfied performance obligations for (i) contracts with an expected original duration of one year or less and (ii) contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed.

Income Taxes

We account for income taxes using the asset and liability method in accordance with Accounting Standards Codification (“ASC”) 740, “Income Taxes.” This standard establishes financial accounting and reporting standards for the effects of income taxes that result from an enterprise’s activities. It requires an asset and liability approach for financial accounting and reporting of income taxes.

The calculation of net deferred tax assets assumes sufficient future earnings for the realization of such assets as well as the continued application of currently anticipated tax rates. Included in net deferred tax assets is a valuation allowance for deferred tax assets where management believes it is more likely than not that the deferred tax assets will not be realized in the relevant jurisdiction. If we determine that a deferred tax asset will not be realizable, an adjustment to the deferred tax asset will result in a reduction of earnings at that time. Our assessment includes an analysis of whether deferred tax assets will be realized in the ordinary course of operations based on the available positive and negative evidence, including the scheduling of deferred tax liabilities and forecasted income from operations. The underlying assumptions we use in forecasting future taxable income require significant judgment. In the event that actual income from operations differs from forecasted amounts, or if we change our estimates of forecasted income from operations, we could record additional charges or reduce allowances in order to adjust the carrying value of deferred tax assets to their realizable amount. Such adjustments could be material to our Consolidated Financial Statements. See Note 8 to the Consolidated Financial Statements in Item 8 for further information regarding deferred tax assets and valuation allowances.

ASC 740-10-55-3, “Recognition and Measurement of Tax Positions – a Two Step Process,” provides implementation guidance related to the accounting for uncertainty in income taxes recognized in an enterprise’s financial statements and prescribes a two-step evaluation process for a tax position taken or expected to be taken in a tax return. The first step is recognition and the second is measurement. ASC 740 also provides guidance on derecognition, measurement, classification, disclosures, transition and accounting for interim periods. In addition, ASC 740-10-25-9 provides guidance on how to determine whether a tax position is effectively settled for the purpose of recognizing previously unrecognized tax benefits. As of December 31, 2025, the Company’s gross liability for income taxes associated with uncertain tax positions was \$0.1 million.

The Company’s unrecognized tax benefits, if recognized in the future, would affect the Company’s annual effective income tax rate. See Note 8 to the Consolidated Financial Statements in Item 8 for further information regarding unrecognized tax benefits. We elected to continue our historical practice of classifying applicable interest and penalties as a component of the

provision for income taxes.

We provide tax reserves for federal, state, local and international exposures relating to periods subject to audit. The development of reserves for these exposures requires judgments about tax issues, potential outcomes and timing, and is a subjective critical estimate. We assess our tax positions and record tax benefits for all years subject to examination based upon management's evaluation of the facts, circumstances and information available at the reporting dates. For those tax positions where it is more likely than not that a tax benefit will be sustained, we have recorded the largest amount of tax benefit with greater than 50% likelihood of being realized upon settlement with a tax authority that has full knowledge of all relevant information. For those tax positions where it is not more likely than not that a tax benefit will be sustained, no tax benefit has been recognized in the Consolidated Financial Statements. Where applicable, associated interest and penalties have also been recognized. Although the outcome relating to these exposures are uncertain, we believe that our reserves reflect the probable outcome of known tax contingencies. In certain circumstances, the ultimate outcome of exposures and risks involves significant uncertainties which render them inestimable. If actual outcomes differ materially from these estimates, including those that cannot be quantified, they could have a material impact on our results of operations.

The Company has provided for tax on all unremitted earnings of our foreign subsidiaries taking into consideration all expected future events based on presently existing tax laws and rates.

The Company has elected to recognize the tax on Global Intangible Low Taxed Income ("GILTI") as a period expense in the year the tax is incurred.

Business Combinations and Asset Acquisitions

Business Combinations are accounted for under the acquisition method in accordance with ASC 805, "*Business Combinations*." The acquisition method requires identifiable assets acquired and liabilities assumed and any non-controlling interest in the business acquired to be recognized and measured at fair value on the acquisition date, which is the date that the acquirer obtains control of the acquired business. The amount by which the fair value of consideration transferred as the purchase price exceeds the net fair value of assets acquired and liabilities assumed is recorded as goodwill. Acquisitions that do not meet the definition of a business under the ASC are accounted for as asset acquisitions. Asset acquisitions are accounted for by allocating the cost of the acquisition to the individual assets acquired and liabilities assumed on a relative fair value basis. Goodwill is not recognized in an asset acquisition with any consideration in excess of net assets acquired allocated to acquired assets on a relative fair value basis. Transaction costs are expensed in a business combination and are considered a component of the cost of the acquisition in an asset acquisition.

Recent Accounting Pronouncements

See Note 3 to our Consolidated Financial Statements in Item 8 regarding the impact or potential impact of recent accounting pronouncements upon our financial position and results of operations.

Forward-Looking Statements

This Form 10-K contains statements that the Company believes to be “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this Form 10-K, including statements regarding the Company’s future financial condition, results of operations, business operations and business prospects, are forward-looking statements. Words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “predict,” “believe,” and similar words, expressions, and variations of these words and expressions are intended to identify forward-looking statements. All forward-looking statements are subject to important factors, risks, uncertainties, and assumptions, including industry and economic conditions that could cause actual results to differ materially from those described in the forward-looking statements. Such factors, risks, uncertainties, and assumptions include, but are not limited to, (1) global economic fluctuations, (2) changes in the cost and availability of commodities, materials, and equipment, (3) risks related to providing uninterrupted service to clients, (4) the ability of clients to terminate their relationship with the Company at any time, (5) risks associated with real estate ownership, (6) the Company’s ability to successfully achieve its strategic initiatives, (7) risks related to fluctuations in the Company’s operating results from quarter to quarter, (8) risks related to potential acquisitions or dispositions of businesses by the Company, (9) our profitability and growth being tied to the success of our operating businesses, (10) risks associated with our financial investments in other businesses, (11) our ability to improve existing products and services and develop, introduce, and market new products and services successfully, (12) the loss of or material reduction in our business with any of the Company’s largest customers, (13) competition in the Company’s markets, (14) risks related to potential decreases in demand for products, (15) our ability to maintain costs at an acceptable level, (16) the negative cash flows and operating losses that may recur in the future, (17) risks related to international operations, including foreign currency fluctuations, political events, trade wars, natural disasters or health crises, including the Russia-Ukraine war, and potential conflict in the Middle East, (18) risks relating to how future credit facilities may affect or restrict our operating flexibility, (19) our ability to generate or borrow sufficient cash to make payments on our indebtedness, (20) risks related to indebtedness, (21) risks associated with the Company’s investment strategy, (22) the Company’s dependence on key management personnel, (23) the Company’s ability to attract and retain highly skilled professionals, management, and advisors, (24) the Company’s ability to collect accounts receivable, (25) the Company’s exposure to legal proceedings, investigations and disputes, and limits on related insurance coverage, (26) the Company’s ability to utilize net operating loss carryforwards, (27) the potential for goodwill impairment, (28) volatility of the Company’s stock price, (29) risks related to our historically low trading volume, (30) risks related to securities or industry analysts, (31) the Company’s ability to declare dividends, (32) risks associated with failure to pay dividends on our Series A Preferred Stock, (33) our history of annual net losses, (34) risks related to our international operations, (35) risks related to compliance with federal and state laws, regulations, and other rules, (36) our exposure to employment-related claims, legal liability, and costs from clients, employees, and regulatory authorities, (37) risks related to the imposition of licensing or tax requirements or new regulations, (38) the effect of Anti-takeover provisions in our organizational documents, (39) the effect of the protective amendment contained in our Restated Certificate of Incorporation, (40) the impact of our stockholder rights plan, or “poison pill,” on stockholder decision making, (41) risks related to our scaled disclosure requirements as a smaller reporting company, (42) risks related to evolving ESG and DEI rules and regulations, (43) the Company’s heavy reliance on information systems and the impact of potentially losing or failing to develop technology, (44) the adverse impacts of cybersecurity threats and attacks, and (45) risks related to the use of new and evolving technologies. The foregoing list should not be construed to be exhaustive. Actual results could differ materially from the forward-looking statements contained in this Form 10-K. In view of these uncertainties, you should not place undue reliance on any forward-looking statements, which are based on our current expectations. These forward-looking statements speak only as of the date of this Form 10-K. The Company assumes no obligation, and expressly disclaims any obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information required under this item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Star Equity Holdings, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Star Equity Holdings, Inc. (the Company) as of December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive loss, stockholders' equity and cash flows, for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements 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 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) 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 matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Star Operating Companies ("SOC") Acquisition – Refer to Notes 1 and 5 to the financial statements

On August 22, 2025, the Company completed its acquisition of SOC pursuant to the Agreement and Plan of Merger, dated as of May 21, 2025 (the "Merger Agreement"). This resulted in a business combination pursuant to ASC 805, Business Combinations. Management engaged an independent third-party valuation specialist to assist with the fair value allocation of the purchase price. In accordance with ASC 805, Business Combinations, The Company accounted for this transaction as a business combination and recorded the acquired assets of SOC at their estimated fair value. The valuation of assets acquired and liabilities assumed has not yet been finalized as of December 31, 2025.

We identified the purchase price allocation related to the SOC Acquisition as a critical audit matter because of the estimates and assumptions used to determine the fair value of identifiable assets acquired and liabilities assumed. This required an increased extent of audit effort and specialized skill, including the need to involve our fair value specialists, when performing audit procedures to evaluate the reasonableness of management's estimates and assumptions.

How the Critical Audit Matter Was Addressed in the Audit

To address this matter, we performed various procedures, including: (i) understanding management's process for accounting for the transaction, (ii) testing management's process for determining opening balance sheet amounts, (iii) testing the processes used by management and the third-party experts to develop valuation models, and (iv) evaluating the significant assumptions used in these models. We considered whether these assumptions were consistent with evidence obtained in other areas of the audit and assessed their sensitivity to change.

We have served as the Company's auditor since 2023.

/s/ Wolf & Company, P.C.

Boston, Massachusetts

March 20, 2026

STAR EQUITY HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)

	Year Ended December 31,	
	2025	2024
Revenues:		
Building Solutions	\$ 27,578	\$ —
Business Services	139,652	140,056
Energy Services	4,929	—
Total revenues	172,159	140,056
Cost of revenues:		
Building Solutions	21,303	—
Business Services	67,879	69,904
Energy Services	3,001	—
Investments	107	—
Total cost of revenues	92,290	69,904
Gross profit	79,869	70,152
Operating expenses:		
Salaries and related	63,545	58,309
Office and general	14,843	10,703
Marketing and promotion	3,957	3,588
Depreciation and amortization	1,212	1,361
Total operating expenses	83,557	73,961
Operating loss	(3,688)	(3,809)
Non-operating income (expense):		
Interest income, net	260	360
Other income (expense), net	(428)	(21)
Loss before income taxes	(3,856)	(3,470)
Provision for income taxes	2,061	1,300
Net loss	(5,917)	(4,770)
Dividends on Series A perpetual preferred stock	(740)	—
Net loss attributable to common shareholders	\$ (6,657)	\$ (4,770)
Loss per share:		
Basic	\$ (1.85)	\$ (1.59)
Diluted	\$ (1.85)	\$ (1.59)
Loss per share, attributable to common shareholders		
Basic	\$ (2.08)	\$ (1.59)
Diluted	\$ (2.08)	\$ (1.59)
Weighted-average shares outstanding:		
Basic	3,198	3,000
Diluted	3,198	3,000
Dividends declared per share of Series A perpetual preferred stock	\$ 0.275	\$ —

See accompanying notes to Consolidated Financial Statements.

STAR EQUITY HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands)

	Year Ended December 31,	
	2025	2024
Comprehensive loss:		
Net loss	\$ (5,917)	\$ (4,770)
Other comprehensive income (loss):		
Foreign currency translation adjustment, net of income taxes	1,353	(1,427)
Total other comprehensive income (loss), net of income taxes	1,353	(1,427)
Comprehensive loss	\$ (4,564)	\$ (6,197)

See accompanying notes to Consolidated Financial Statements.

STAR EQUITY HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)

	As of December 31,	
	2025	2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 10,269	\$ 17,011
Restricted cash, current	1,819	476
Investments in equity securities	3,767	—
Accounts receivable, less allowance for expected credit losses of \$275 and \$391, respectively	35,220	20,093
Inventories, net	6,988	—
Note receivable, current portion	256	—
Prepaid and other	4,168	2,560
Total current assets	62,487	40,140
Property and equipment, net of accumulated depreciation of \$6,367 and \$1,668, respectively	18,610	242
Operating lease right-of-use assets	11,675	1,024
Goodwill	5,944	5,703
Intangible assets, net of accumulated amortization of \$4,795 and \$3,897, respectively	1,688	2,491
Long term investments	953	—
Notes receivable, net of current portion	8,629	—
Deferred tax assets	1,911	2,648
Restricted cash, non-current	1,322	180
Other assets	12	155
Total assets	\$ 113,231	\$ 52,583
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 4,769	\$ 1,789
Accrued salaries, commissions, and benefits	7,526	4,306
Accrued expenses and other current liabilities	6,907	4,375
Short-term debt	8,473	—
Deferred revenue	1,496	129
Operating and finance lease obligations, current	655	623
Total current liabilities	29,826	11,222
Income tax payable	99	93
Operating and finance lease obligations	11,235	441
Note payable – long term	6,056	—
Other liabilities	308	399
Total liabilities	47,524	12,155
Commitments and contingencies		
Stockholders' equity:		
Series A Preferred stock, \$0.001 par value, 10,000 shares authorized; 2,691 and 0 issued; 2,370 and 0 shares outstanding, respectively	3	—
Common stock, \$0.001 par value, 20,000 shares authorized; 5,366 and 4,033 shares issued; 3,755 and 2,750 shares outstanding, respectively	5	4
Additional paid-in capital	530,136	494,209
Accumulated deficit	(435,934)	(430,017)
Accumulated other comprehensive loss, net of applicable tax	(1,364)	(2,717)
Treasury stock, 1,611 and 1,283 common shares; 321 and 0 preferred shares, respectively, at cost	(27,139)	(21,051)
Total stockholders' equity	65,707	40,428
Total liabilities and stockholders' equity	\$ 113,231	\$ 52,583

See accompanying notes to Consolidated Financial Statements.

STAR EQUITY HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (5,917)	\$ (4,770)
Adjustments to reconcile net loss to net cash used by operating activities:		
Total depreciation and amortization	2,078	1,361
Provision for expected credit losses	103	24
Provision for deferred income taxes	942	532
Stock-based compensation	1,497	1,280
Non-cash interest income	(305)	—
Unrealized net losses on equity securities and lumber derivatives	176	—
Gross profit from sale of lost-in-hole equipment	(396)	—
Changes in operating assets and liabilities, net of effect of dispositions:		
Accounts receivable	(2,588)	(1,275)
Inventories	2,113	—
Prepaid and other assets	(175)	(531)
Deferred revenue	(2,248)	36
Accounts payable, accrued expenses, and other liabilities	(2,535)	556
Net cash (used in) provided by operating activities	<u>(7,255)</u>	<u>(2,787)</u>
Cash flows from investing activities:		
Capital expenditures	(1,703)	(18)
Proceeds from corporate benefit policy	—	1,076
Cash acquired in connection with the acquisition of Star Operating Companies	6,967	—
Net cash paid in acquisition of Alpha Consulting Group	(132)	—
Proceeds from sale of lost-in-hole equipment	482	—
Proceeds from sale of property and equipment	119	—
Purchases of equity securities	(1,540)	—
Proceeds from sales of equity securities	228	—
Repayment of note receivable	149	—
Net cash (used in) provided by investing activities	<u>4,570</u>	<u>1,058</u>
Cash flows from financing activities:		
Proceeds from borrowings	11,426	—
Repayment of debt	(10,940)	—
Net borrowings under invoice finance credit facility	1,385	—
Preferred stock dividends paid	(740)	—
Purchase of treasury stock (including payment of tax withholdings)	(2,638)	(2,775)
Cash paid for net settlement of employee restricted stock units	(451)	(327)
Net cash used in financing activities	<u>(1,958)</u>	<u>(3,102)</u>
Effect of exchange rates on cash, cash equivalents, and restricted cash	386	(672)
Net decrease in cash, cash equivalents, and restricted cash	(4,257)	(5,503)
Cash, cash equivalents, and restricted cash, beginning of the period	17,667	23,170
Cash, cash equivalents, and restricted cash, end of the period	<u>\$ 13,410</u>	<u>\$ 17,667</u>
Supplemental disclosures of cash flow information:		
Cash paid during the period for interest	\$ 383	\$ —
Cash received during the period for interest	\$ 299	\$ 360
Net cash payments during the period for income taxes	\$ 1,895	\$ 455
Cash paid for amounts included in operating lease liabilities	\$ 1,144	\$ 809
Supplemental non-cash disclosures:		
Right-of-use assets obtained in exchange for operating lease liabilities	\$ 3,112	\$ 416

See accompanying notes to Consolidated Financial Statements.

STAR EQUITY HOLDINGS, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(in thousands)

	Preferred stock		Common stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Treasury stock		Total
	Shares	Value	Shares	Value				Shares	Value	
Balance at December 31, 2023	—	\$ —	3,896	\$ 4	\$ 493,036	\$ (425,247)	\$ (1,290)	(1,089)	\$ (17,949)	\$ 48,554
Net loss	—	—	—	—	—	(4,770)	—	—	—	(4,770)
Other comprehensive loss, translation adjustments	—	—	—	—	—	—	(1,427)	—	—	(1,427)
Purchase of treasury stock	—	—	—	—	—	—	—	(173)	(2,775)	(2,775)
Purchase of net settled restricted stock	—	—	—	—	—	—	—	(21)	(327)	(327)
Stock-based compensation and vesting of restricted stock units	—	—	137	—	1,173	—	—	—	—	1,173
Balance at December 31, 2024	—	\$ —	4,033	\$ 4	\$ 494,209	\$ (430,017)	\$ (2,717)	(1,283)	\$ (21,051)	\$ 40,428
Net loss	—	—	—	—	—	(5,917)	—	—	—	(5,917)
Dividends to holders of preferred stock	—	—	—	—	(740)	—	—	—	—	(740)
Preferred stock issued in connection with acquisition of Star Operating Companies	2,691	3	—	—	25,477	—	—	—	—	25,480
Common stock issued in connection with acquisition of Star Operating Companies	—	—	744	1	6,694	—	—	—	—	6,695
Issuance of common shares in exchange for preferred treasury shares	—	—	288	—	2,999	—	—	—	(2,999)	—
Other comprehensive income (loss), translation adjustments	—	—	—	—	—	—	1,353	—	—	1,353
Purchase of treasury stock	—	—	—	—	—	—	—	(281)	(2,638)	(2,638)
Purchase of net settled restricted stock	—	—	—	—	—	—	—	(47)	(451)	(451)
Stock-based compensation and vesting of restricted stock units	—	—	301	—	1,497	—	—	—	—	1,497
Balance at December 31, 2025	2,691	\$ 3	5,366	\$ 5	\$ 530,136	\$ (435,934)	\$ (1,364)	(1,611)	\$ (27,139)	\$ 65,707

See accompanying notes to Consolidated Financial Statements.

STAR EQUITY HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share amounts)

NOTE 1 – DESCRIPTION OF BUSINESS

Star Equity Holdings, Inc. (“Star Equity,” “Star,” the “Company,” “we,” or “our,” formerly known as Hudson Global, Inc. (“Hudson”)) is a diversified multi-industry holding company operating through four reportable segments: Building Solutions, Business Services, Energy Services, and Investments. Our common stock and 10% Series A Cumulative Perpetual Preferred Stock are listed on the Nasdaq Global Market under the symbols “STRR” and “STRRP,” respectively.

The Building Solutions segment operates in the construction industry. The Business Services segment, which consists of Hudson Talent Solutions, LLC (“HTS”), delivers customized recruitment and contracting solutions to mid-to-large multinational companies, including Recruitment Process Outsourcing (“RPO”), project-based RPO, contingent workforce solutions, recruitment consulting, outsourced professional contract staffing, and managed service provider (“MSP”) services. The Energy Services segment consists of Alliance Drilling Tools, Inc. (“ADT”), which manufactures and supplies specialized drilling tools and downhole equipment used in directional drilling and other oil and gas well construction applications. The Investments segment holds and manages certain corporate-owned real estate assets and investments in a limited number of publicly traded and private companies.

MERGER

On August 22, 2025, Star completed its previously announced acquisition of Star Operating Companies, Inc. (“SOC” or “Star Operating Companies”, formerly known as Star Equity Holdings, Inc.) pursuant to the Agreement and Plan of Merger, dated as of May 21, 2025 (the “Merger Agreement”), by and among Star, SOC and HSON Merger Sub, Inc., a wholly owned subsidiary of Star (“Merger Sub”). Upon the terms and subject to the conditions of the Merger Agreement, on August 22, 2025, at the effective time (the “Effective Time”) of the closing of the transaction pursuant to the Merger Agreement (the “Merger”), Merger Sub merged with and into SOC, with SOC continuing as the surviving corporation of the Merger under the name “Star Operating Companies, Inc.” as a wholly owned subsidiary of Star. Capitalized terms used herein but not defined have the meanings set forth in the Merger Agreement.

Pursuant to the terms of the Merger Agreement, at the Effective Time, (i) each share of common stock of SOC issued and outstanding immediately prior to the Effective Time (other than certain shares as set forth in the Merger Agreement) were automatically converted into the right to receive 0.23 shares of Star common stock (the “exchange ratio”) and (ii) each share of preferred stock of SOC issued and outstanding immediately prior to the Effective Time (other than certain shares set forth in the Merger Agreement) were automatically converted into the right to receive one (1) share of Star 10% Series A Cumulative Perpetual preferred stock (“Preferred Stock”). As a result of the Merger, former SOC common stockholders received approximately 744,291 shares of Star common stock for their SOC common shares and former SOC preferred stock stockholders received approximately 2,690,637 shares of Star Preferred Stock. No fractional shares of Star common stock were issued in the Merger, and SOC stockholders became entitled to receive cash in lieu of fractional shares in accordance with the Merger Agreement.

In addition, pursuant to the terms of the Merger Agreement, at the Effective Time, each award of SOC restricted stock units (“RSUs”) outstanding immediately prior to the Effective Time was converted into Star RSUs issued under the Hudson Global, Inc. 2009 Incentive Stock and Awards Plan, as amended (the “Plan”), in accordance with the Merger Agreement.

The accompanying consolidated financial statements include the financial results of SOC beginning on August 22, 2025 and reflect the post-merger results of the Building Solutions, Energy Services, and Investments segments for the period from August 22, 2025 through December 31, 2025. The acquisition was accounted for as a business combination in accordance with ASC 805, Business Combinations. All significant intercompany accounts and transactions have been eliminated in consolidation.

AMENDMENT TO CERTIFICATE OF INCORPORATION

On September 4, 2025, Star Equity filed a certificate of amendment (the “Amendment”) to the Company’s Amended and Restated Certificate of Incorporation, as Amended (the “Charter”), to change the name of the Company from Hudson Global, Inc. to Star Equity Holdings, Inc. (the “Name Change”). The Name Change was approved by the Company’s Board of Directors (the “Board”) on September 2, 2025, and became effective at 12:01 a.m. (Eastern Time) on September 5, 2025.

STAR EQUITY HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share amounts)

SEGMENTS

The Company's Building Solutions segment consists of the following operating businesses: KBS Builders, Inc. ("KBS"); EdgeBuilder, Inc. ("EdgeBuilder"); Glenbrook Building Supply, Inc. ("Glenbrook"); and Timber Technologies Solutions, Inc. ("TT"). EdgeBuilder and Glenbrook are managed together and are referred to collectively as "EBGL." KBS, based in Maine, manufactures modular buildings, primarily serving the single-family and multi-family residential markets in New England. EBGL, based in the Minneapolis–Saint Paul area, manufactures and delivers structural wall panels and other engineered wood-based products and distributes building materials through two lumberyard locations, primarily serving professional builder customers in the Upper Midwest region. TT, located outside the Minneapolis–Saint Paul area, manufactures glue-laminated timber ("glulam") products for a range of end markets and applications, including agriculture, industrial, infrastructure, and building construction (commercial and residential).

The Business Services segment consists of HTS and provides customized recruitment and contracting solutions to mid-to-large multinational companies. Service offerings include Recruitment Process Outsourcing ("RPO"), project-based RPO, contingent workforce solutions, recruitment consulting, outsourced professional contract staffing, and managed service provider ("MSP") services. HTS operates directly in eighteen countries across three geographic regions: the Americas, Asia Pacific, and Europe, Middle East, and Africa. HTS delivery teams utilize standardized recruitment methodologies and project management expertise to support clients' ongoing workforce requirements. HTS leverages its consultants and proprietary processes to identify, select, and engage talent for critical client roles. In addition, clients may receive outsourced professional contract staffing services and MSP solutions, offered on a standalone basis or as part of an integrated total talent solution. HTS-employed professionals are placed with client organizations, individually or as teams, for defined periods based on specific business requirements.

The Company's Energy Services segment consists of ADT, a Wyoming and Texas based provider of drilling tools and services to the energy industry, a key sector of the economy. ADT is a full-service downhole drilling tool company that provides sales and rental tools in the Oil & Gas, Geothermal, Mining, and Waterwells sectors. ADT is strategically located near premier oilfields in the Rockies, a geothermal and mining hub, and in Midland, TX within the Permian Basin. ADT's business model allows the majority of costs, such as freight, repairs, and damages, to be passed directly to customers.

The Investments segment holds and manages certain of our corporate-owned real estate, including a manufacturing facility in Maine that is leased to KBS and a manufacturing facility in Wisconsin that is leased to TT. The Investments segment manages investments in a small number of public and private companies. SOC acquired these interests in May 2023 as a result of the sale of Digirad Health. The Investments segment also holds an investment in Enservco Corporation consisting of an investment in Enservco Common Stock, an investment in Enservco Preferred Stock, and an investment in a call option, all of which were acquired in the third quarter of 2024 and which currently have a carrying value of zero.

See Note 17 to the Consolidated Financial Statements for further details regarding the Company's reportable segments: Building Solutions, Business Services, Energy Services and Investments.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in the United States of America ("U.S."). Certain prior period amounts have been reclassified to conform to the current year presentation with no material impact on the Consolidated Financial Statements. Unless otherwise stated, amounts are presented in U.S. dollars and all amounts are in thousands, except for number of shares and per share amounts.

Principles of Consolidation

The Consolidated Financial Statements include the accounts of the Company and all of its wholly owned and majority-owned subsidiaries. All significant inter-company accounts and transactions between and among the Company and its subsidiaries have been eliminated in consolidation.

Use of Estimates

STAR EQUITY HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share amounts)

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the reported amounts of assets and liabilities, the disclosures about contingent assets and liabilities, and the reported amounts of revenue and expenses. The critical accounting estimates include revenue recognition, income taxes, and business combinations and asset acquisitions. These estimates and assumptions are based on management's best estimates and judgment. Management evaluates the estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. The Company adjusts such estimates and assumptions when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from those estimates.

Concentration and Credit Risk

The Company serves a diverse client base across multiple industries through its operating segments, including construction, energy, and global talent solutions, with customers that include mid-to-large multinational corporations, commercial contractors, energy companies, and government agencies. For the years ended December 31, 2025 and 2024, approximately 73% and 85% of revenue, respectively, was generated by its top 25 clients. In 2025, one client accounted for 23% of revenue, while in 2024 three clients accounted for an aggregate of 46% of revenue. As of December 31, 2025 and 2024, one client represented approximately 14% and 24% of accounts receivable, respectively. Our business is dependent upon the continuation of these business relationships as well as new client development. As part of our client retention and renewal strategy, we continue to develop and foster long-term relationships, and have been successful in retaining and negotiating multi-year (three to five year) contracts with most of our key partners.

Financial instruments, which potentially subject the Company to concentrations of credit risk, are primarily cash and accounts receivable. The Company performs continuing credit evaluations of its customers and does not require collateral. The Company has not experienced significant losses related to receivables in the Consolidated Statements of Operations.

The Company may from time to time maintain cash in banks in excess of Federal Deposit Insurance Corporation insurance limits. However, the Company regularly monitors the financial condition of the institutions in which it has depository accounts and believes the risk of loss is minimal as these banks are large financial institutions with strong credit ratings.

Revenue Recognition

Revenue is measured according to ASC 606, Revenue - "Revenue from Contracts with Customers," and is recognized based on consideration specified in a contract with a client. We account for a contract when both parties to the contract have approved the contract, the rights of the parties are identified, payment terms are identified, the contract has commercial substance, and collectability of consideration is probable. Revenues are recognized over time, using an input or output method, as the control of the promised services is transferred to the client in an amount that reflects the consideration we expect to be entitled to in exchange for those services. The majority of our contracts are short-term in nature as they include termination clauses that allow either party to cancel within a short termination period, without cause. Revenue includes billable travel and other reimbursable costs and is reported net of value added taxes, sales, or use taxes collected from clients and remitted to taxing authorities.

Business Services Revenue Recognition

Certain client contracts have variable consideration, including usage-based fees that increase the transaction price and volume rebates or other similar items that generally reduce the transaction price. We estimate variable consideration using the expected value method based on the terms of the client contract and historical evidence. These amounts may be constrained and are only included in revenue to the extent we do not expect a significant reversal when the uncertainty associated with the variable consideration is resolved. Other than bonuses to be paid to contractors, on behalf of our clients, our estimated amounts of variable consideration subject to constraints at period end are not material and we do not believe that there will be significant changes to our estimates. Certain contract employees are entitled to performance bonuses at the sole discretion of the client and are constrained until approved. Bonuses of \$1.1 million were approved and paid to our contract employees on behalf of our clients for the year ended December 31, 2025. No bonuses were approved and paid to our contract employees on behalf of our clients for year ended December 31, 2024.

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We record accounts receivable when our right to consideration becomes unconditional. The Company's accounts receivable balances are composed of trade and unbilled receivables. Unbilled accounts receivable represent revenue recorded in advance of processing formal invoices pursuant to the completion of contract provisions and, generally, become billable at contractually specified dates. Unbilled amounts are expected to be invoiced and collected within one year. Contract assets primarily relate to our rights to consideration for services provided that such rights to consideration are conditional on satisfaction of future performance obligations. A contract liability for deferred revenue is recorded when consideration is received, or is unconditionally due, from a client prior to transferring control of services to the client under the terms of a contract. Deferred revenue balances typically result from advance payments received from clients prior to transferring control of services. We do not have any material contract assets or liabilities as of and for the years ended December 31, 2025 and 2024.

Payment terms vary by client and the services being provided to the client. We consider payment terms that exceed one year to be extended payment terms. Substantially all of the Company's contracts include payment terms of 90 days or less, and we do not extend payment terms beyond one year.

We primarily record revenue on a gross basis in the Consolidated Statements of Operations based upon the following key factors:

- We maintain the direct contractual relationship with the client and are responsible for fulfilling the service promised to the client.
- We maintain control over our contractors while the services to the client are being performed, including our contractors' billing rates.

RPO. We provide complete recruitment outsourcing, project-based outsourcing, and recruitment consulting services for clients' permanent staff hires. We recognize revenue for our RPO over time in an amount that reflects the consideration we expect to be entitled to and have an enforceable right to payment in exchange for our services. The client simultaneously receives and consumes the benefits of the services as they are provided. The transaction prices contain both fixed fee and variable usage-based consideration. Variable usage-based consideration is constrained by candidates accepting offers of permanent employment. We recognize revenue on fixed fees as the performance obligations are satisfied and on usage-based fees as the constraint is lifted. We do not incur incremental costs to obtain our RPO contracts. The costs to fulfill these contracts are expensed as incurred.

We recognize permanent placement revenue when employment candidates accept offers of permanent employment. We have a substantial history of estimating the financial impact of permanent placement candidates who do not remain with our clients through a guarantee period. Fees to clients are generally calculated as a percentage of the new employee's annual compensation. No fees for permanent placement services are charged to employment candidates.

Contracting. We provide clients with a range of outsourced professional contract staffing services and managed service provider services offered sometimes on a standalone basis and sometimes as part of a blended total talent solution. We recognize revenue for our contracting services over time as services are performed in an amount that reflects the consideration we expect to be entitled to and have an enforceable right to payment in exchange for our services, which is generally calculated as hours worked multiplied by the agreed-upon hourly bill rate. The client simultaneously receives and consumes the benefits of the services as they are provided. We do not incur incremental costs to obtain our contracts for outsourced professional contract staffing services and managed service provider services. The costs incurred to fulfill these contracts are expensed as incurred.

Building Solutions Revenue Recognition

We recognize revenue when a customer obtains control of promised goods or services. We record the amount of revenue that reflects the consideration that we expect to receive in exchange for those goods or services. We recognize revenue upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. Taxes collected from customers, which are subsequently remitted to governmental authorities, are excluded from revenue.

The majority of our contracts have a single performance obligation, including certain instances which we provide a series of distinct goods or services that are substantially the same and are transferred with the same pattern to the customer. For

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contracts with multiple performance obligations, we allocate the total transaction price to each performance obligation using our best estimate of the standalone selling price of each distinct good or service in the contract. We use an observable price to determine the stand-alone selling price for separate performance obligations or a cost plus margin approach when one is not available. For bill and hold sales, we determine when the customer obtains control of the product on a case-by-case basis to determine the amount of revenue to recognize each period.

Revenue recognition is evaluated on a contract by contract basis. Performance obligations are satisfied over time as work progresses or at a point in time. A performance obligation is satisfied over time when the company creates an asset with no alternative use and we have an enforceable right to payment, including a reasonable profit margin. Determining if an enforceable right to payment includes a reasonable profit margin requires judgment and is assessed on a contract by contract basis. For contracts requiring over time revenue recognition, the selection of the method to measure progress towards completion requires judgment and is based on the nature of the products or services to be provided. We use a cost-based input measurement of progress because it best depicts the transfer of assets to the customer, which occurs as costs are incurred during the manufacturing process or as services are rendered. Under the cost-based measure of progress, the extent of progress towards completion is measured based on the costs incurred to date.

Our products are generally not sold with a right of return and the Company does not provide significant credits or incentives, which may be variable consideration when estimating the amount of revenue to be recognized.

Within the Building Solutions segment, we service residential and commercial construction projects by manufacturing modular housing units and other products, supplying general contractors with building materials and providing glulam products to distributors and end users. KBS manufactures modular buildings for both single-family residential homes and larger, commercial building projects. EdgeBuilder manufactures structural wall panels, permanent wood foundation systems and other engineered wood products, and Glenbrook is a retail supplier of lumber and other building supplies. Retail sales at Glenbrook are recognized at the point of sale. TT manufactures glue-laminated timber products ("glulam") for various end markets and applications, including agriculture, industrial, infrastructure, and building construction (commercial and residential). For bill and hold sales, we determine when the customer obtains control of the product on a case-by-case basis to determine the amount of revenue to recognize each period. Revenue is generally recognized at point in time upon delivery of product or over time by measuring progress towards completion.

Energy Services Revenue Recognition

ADT is principally engaged in the business of renting drilling tools. We also sell new drilling tools, drilling parts, supplies, and used rental tools. In addition, ADT offers repair services to support its customers. Tools purchased for sale are recorded as inventory. Tools intended for rental are recorded as part of fixed assets. Equipment rental revenue is recognized on a straight-line basis over the length of the rental contract. New tools, parts, and supplies sales are recognized as revenue upon transfer of control, which generally occurs when products are picked up by or delivered to the customer. Repair services revenues are recognized in the period the services are provided. Upon the sale of other rental tools from fixed assets, we recognize a gain or loss on the sale in other income (expense), net.

ADT's equipment rental agreements generally contain provisions whereby should the rented tools or components provided to a customer be deemed to be irretrievably lost during drilling operations, commonly referred to as "lost-in-hole," ADT has the right to receive reimbursement for such losses. Amounts billed to customers are at an agreed upon price relative to the specific piece of equipment, the revenue of which is recognized at the time the loss of the equipment is confirmed. The gross profit recognized from lost-in-hold transactions is normally calculated as the difference between the amounts billed to the customer and the net book value of the lost equipment. This gross profit is presented as a separate line item in the statement of cash flows under operating activities, and the cash received in connection with these activities is presented as an offset to cash purchases of property and equipment in the investing section of the statement of cash flows, to the extent it does not exceed the cash used for the purchases of the replacement equipment.

Unsatisfied performance obligations. As a practical expedient, we do not disclose the value of unsatisfied performance obligations for (i) contracts with an expected original duration of one year or less and (ii) contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed. See Note 4 for information on disaggregated revenue.

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Operating Expenses

Salaries and related expenses include the salaries, commissions, payroll taxes and employee benefits related to recruitment professionals, executive level employees, administrative staff, and other employees of the Company who are not temporary contractors. Office and general expenses include occupancy, equipment leasing and maintenance, utilities, travel expenses, professional fees, and provision for expected credit losses. The Company expenses job board and legal costs as incurred.

Stock-Based Compensation

The Company applies the fair value recognition provisions of ASC 718, "*Compensation - Stock Compensation*." The Company determines the fair value as of the grant date. For awards with graded vesting conditions, the values of the awards are determined by valuing each tranche separately and expensing each tranche over the required service period. The service period is the period over which the related service is performed, which is generally the same as the vesting period. The Company accounts for forfeitures as they occur. During the years ended December 31, 2025 and 2024, the Company only granted restricted stock units and restricted shares of common stock.

Employee Benefit Programs

The Company in the U.S. sponsors a defined contribution plan covering substantially all of its full-time employees (the "401(k) Plan"). The Company recognized expense related to the 401(k) Plan totaling approximately \$264 and \$216 for the years ended December 31, 2025 and 2024, respectively.

Income Taxes

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which enhances annual income tax disclosures primarily related to the effective tax rate reconciliation and income taxes paid. The standard is effective for the Company for annual periods beginning after January 1, 2025, and has been adopted on a prospective basis with earlier periods not revised. The guidance does not change the recognition or measurement of income taxes under ASC 740; rather, it results in expanded disclosures in the notes to the consolidated financial statements, including additional disaggregation of the rate reconciliation, income taxes paid by jurisdiction, and certain information about income (loss) from continuing operations and related income tax expense by jurisdiction.

Earnings from the Company's global operations are subject to tax in various jurisdictions both within and outside the United States. The Company accounts for income taxes in accordance with ASC 740, "*Income Taxes*." This standard establishes financial accounting and reporting standards for the effects of income taxes that result from an enterprise's activities. It requires an asset and liability approach for financial accounting and reporting of income taxes.

The calculation of net deferred tax assets assumes sufficient future earnings for the realization of such assets as well as the continued application of currently anticipated tax rates. Included in net deferred tax assets is a valuation allowance for deferred tax assets where management believes it is more likely than not that the deferred tax assets will not be realized in the relevant jurisdiction. If we determine that a deferred tax asset will not be realizable, an adjustment to the deferred tax asset will result in a reduction of earnings at that time. See Note 8 to the Consolidated Financial Statements for further information regarding deferred tax assets and our valuation allowance.

ASC 740-10-55-3, "*Recognition and Measurement of Tax Positions - a Two Step Process*," provides implementation guidance related to the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a two-step evaluation process for a tax position taken or expected to be taken in a tax return. The first step is recognition and the second is measurement. ASC 740 also provides guidance on derecognition, measurement, classification, disclosures, transition, and accounting for interim periods. The Company provides tax reserves for U.S. federal, state, local, and international unrecognized tax benefits for all periods subject to audit. The development of reserves for these exposures requires judgments about tax issues, potential outcomes and timing, and is a subjective critical estimate. The Company assesses its tax positions and records tax benefits for all years subject to examination based upon management's evaluation of the facts, circumstances, and information available at the reporting dates. For those tax positions where it is more likely than not that a tax benefit will be sustained, the Company has recorded the largest amount of tax benefit with a greater than 50% likelihood of being realized upon settlement with a tax authority that has full knowledge of all relevant information. For those tax positions

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where it is not more likely than not that a tax benefit will be sustained, no tax benefit has been recognized in the financial statements. Where applicable, associated interest and penalties have also been recognized as a component of income tax expense. Although the outcome related to these exposures is uncertain, in management's opinion, adequate provisions for income taxes have been made for estimable potential liabilities emanating from these exposures. In certain circumstances, the ultimate outcome for exposures and risks involves significant uncertainties which render them inestimable. If actual outcomes differ materially from these estimates, including those that cannot be quantified, they could have material impact on the Company's results of operations.

The Company has provided tax on all unremitted earnings of our foreign subsidiaries taking into consideration all expected future events based on presently existing tax laws and rates.

The Company has elected to recognize the tax on Global Intangible Low Taxed Income ("GILTI") as a period expense in the year the tax is incurred.

(Loss) earnings Per Share

Basic (loss) earnings per share ("EPS") is computed by dividing the Company's net income by the weighted average number of shares outstanding during the period. When the effects are not anti-dilutive, diluted (loss) earnings per share is computed by dividing the Company's net income by the weighted average number of shares outstanding and the impact of all dilutive potential common shares, primarily stock options "in-the-money" and unvested restricted stock. The dilutive impact of stock options and unvested restricted stock is determined by applying the "treasury stock" method. Performance-based restricted stock awards are included in the computation of diluted (loss) earnings per share only to the extent that the underlying performance conditions: (i) are satisfied prior to the end of the reporting period, or (ii) would be satisfied if the end of the reporting period were the end of the related performance period and the result would be dilutive under the treasury stock method. Stock awards subject to vesting or exercisability based on the achievement of market conditions are included in the computation of diluted (loss) earnings per share only when the market conditions are met.

Income (loss) per share calculations for each quarter include the weighted average effect for the quarter; therefore, the sum of quarterly income per share amounts may not equal year-to-date income per share amounts, which reflect the weighted average effect on a year-to-date basis. In addition, the calculation of the impact of dilutive potential common shares might be dilutive on a quarterly basis but anti-dilutive on a year-to-date basis or vice versa.

Fair Value of Financial Instruments

Fair value is defined as the amount that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and is measured using inputs in one of the following three categories:

Level 1 measurements are based on unadjusted quoted prices in active markets for identical assets or liabilities that we have the ability to access. Valuation of these items does not entail a significant amount of judgment.

Level 2 measurements are based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active or market data other than quoted prices that are observable for the assets or liabilities.

Level 3 measurements are based on unobservable data that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

The carrying amounts reported in the Consolidated Balance Sheets for cash and cash equivalents, accounts receivable, accounts payable and short-term borrowings approximate fair value because of the immediate or short-term maturity of these financial instruments.

The Company occasionally enters into derivative financial instruments to manage certain market risks. These derivative instruments are not designated as hedging instruments and accordingly, are recorded at fair value in the Consolidated Balance Sheets with the changes in fair value recognized in cost of revenue in the Consolidated Statements of Operations.

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Cash and Cash Equivalents

For financial statement presentation purposes, the Company considers all highly liquid investments having an original maturity of three months or less as cash equivalents.

Restricted Cash

Restricted cash primarily represents amounts required to be held on deposit for a travel and entertainment program in the U.K., a bank guarantee for licensing in Switzerland, and deposits held for office space. Restricted cash also includes cash for letters of credit for our real estate leases and certain minimum balance requirements on our banking arrangements.

Equity Securities

Securities consist of investments in equity securities that are publicly traded. These equity securities are measured at fair value on a trade date basis and changes in fair value are recognized in net income in other income (expense). Investments that are strategic in nature, with the intent to hold the investment over a several year period, are classified as long-term investments.

Accounts Receivable

The Company's accounts receivable balances are composed of trade and unbilled receivables. Unbilled accounts receivable represent revenue recorded in advance of processing formal invoices pursuant to the completion of contract provisions and, generally, become billable at contractually specified dates. Unbilled receivables of \$6,960 and \$5,925 as of December 31, 2025 and 2024, respectively, are expected to be invoiced and collected within one year. The Company records accounts receivable when its right to consideration becomes unconditional. Contract assets primarily relate to our rights to consideration for services provided that they are conditioned on satisfaction of future performance obligations. Accounts receivable, net, are stated at the amount the Company expects to collect, which is net of estimated losses resulting from the inability of its customers to make required payments.

Allowance for Expected Credit Losses

The allowance for expected credit losses is estimated based on the CECL model and takes into account information about past events, current conditions, and reasonable and supportable forecasts of future economic conditions. It represents the aggregate amount of credit risk arising from the inability of specific clients to pay our fees or from disputes that may affect our ability to fully collect billed accounts receivable. In determining the collectability of specific customer accounts, we evaluate a number of factors, including customer creditworthiness, past transaction history, changes in financial stability, payment terms and practices, and the effect of market conditions on each customer. Other factors considered include, but are not limited to, current economic conditions and forward-looking estimates. Actual results may differ from our estimates. If the financial condition of our clients deteriorates, resulting in their inability or unwillingness to pay our fees, we may be required to record additional provisions for expected credit losses in future periods. Credit risk may be mitigated to the extent that we receive retainers from certain clients prior to performing services.

Changes in the allowance for expected credit losses are recorded in office and general expenses in the Consolidated Statements of Operations and were not material for the year ended December 31, 2025. Accounts receivable, net of the allowance for expected credit losses, represents the amount we expect to collect. At each reporting date, we adjust the allowance to reflect our current estimate. Billed accounts receivable are written off when the potential for recovery is considered remote.

The Company generally establishes customer credit limits and estimates the allowance for credit losses on a country or geographic basis. Customer credit limits are based on an initial evaluation of the customer's credit quality and are adjusted based on ongoing credit assessments, including payment history and changes in credit quality. The allowance for expected credit losses is determined based on an assessment of past collection experience, as well as consideration of current and future economic conditions and changes in customer collection trends.

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Long-Term Investments

As a part of the sale of Digirad Health, Star Operating Companies received common equity in Insignia TTG Parent LLC (“Catalyst Parent”), the parent entity of Catalyst formerly known as TTG Imaging Solutions, LLC. In accounting for this investment, we have elected the measurement alternative under ASC 321 “Accounting for Investments in Equity Securities”. The measurement alternative election allows for equity securities that do not have readily determinable fair values to be recorded at cost, with adjustments for impairment and certain observable price changes reflected in earnings. Such securities are adjusted to fair value when an observable price change occurs or impairment is identified. Each reporting period, we perform a qualitative and quantitative assessment considering impairment indicators to evaluate whether the investment is impaired. Impairment indicators include, but are not limited to, significant deterioration in earnings performance, significant adverse changes in the regulatory or economic environment and working capital deficiencies. If an investment is determined to be impaired, we include an impairment loss as a component of other income (expense) equal to the difference between the fair value of the investment and its carrying amount. During the period from August 22, 2025 through December 31, 2025 we recognized no impairment loss on this investment.

On August 9, 2024, SOC completed an investment in Enservco Corporation (“Enservco”) (“Investment in Enservco”), which consisted of Enservco Common Stock, Enservco Preferred Stock, and certain other options reflected in the Share Exchange Agreement, and the Enservco Note Receivable (See Note 18, *Supplementary Balance Sheet Information*). The Investment in Enservco is required to be accounted for using the equity method of accounting under ASC 323, “Equity Method Investments and Joint Ventures”, as we are deemed to have significant influence over Enservco based upon GAAP rules.

Inventory

Inventories are valued using first-in, first-out, or the weighted-average inventory method; stated at the lower of cost or net realizable value. Finished goods and work-in-process inventory values include the cost of raw materials, labor, and manufacturing overhead. Inventory, when written down to net realizable value, establishes a new cost basis and its value is not subsequently increased based upon changes in underlying facts and circumstances. We also make adjustments to reduce the carrying amount of inventories for estimated excess or obsolete inventories. Factors influencing these adjustments include inventory on-hand compared with historical and estimated future sales and usage for new and existing products and assumptions about the likelihood of obsolescence.

Debt Issuance Costs

We incur debt issuance costs in connection with debt financings. Debt issuance costs for line of credit are presented in other assets and are amortized over the term of the revolving debt agreements using the straight-line method. Debt issuance costs for term debt are netted against the debt and are amortized over the term of the loan using the effective interest method. Amortization of debt issuance costs are included in interest expense. As of December 31, 2025 we have no unamortized debt issuance costs.

Shipping and Handling Fees and Costs

We record all shipping and handling costs billed to customers as revenue earned for the goods provided. Shipping and handling costs related to continuing operations are included in cost of revenues and totaled \$1,469 for the year ended December 31, 2025. There were no shipping and handling fees or costs recorded for the year ended December 31, 2024.

Warranties

Within our Building Solutions segment, KBS provides a limited assurance warranty on its residential homes that covers substantial defects in materials or workmanship for a period of 12 months after delivery to the owner. EBGL provides a limited warranty on the sale of its wood foundation products that covers leaks resulting from defects in workmanship for a period of 25 years. TT provides a limited warranty on glulam products for a period of 50 years. Estimated warranty costs are accrued in the period that the related revenue is recognized. See Note 18, *Supplementary Balance Sheet Information*, for further information.

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Advertising and Marketing Costs

Advertising and marketing costs are expensed as incurred and are reported as Marketing and promotion in the Consolidated Income Statements. Total advertising and marketing costs were \$3,957 and \$3,588 for the years ended December 31, 2025 and 2024, respectively.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Buildings and improvements	5 - 20
Furniture, machinery, and equipment	3 - 13
Capitalized software costs	3 - 10
Computer equipment	3 - 5
Leasehold improvements	2 - 5

Leasehold improvements are amortized over the shorter of their estimated useful lives or the lease term. The amortization periods of material leasehold improvements are estimated at the inception of the lease term.

Leases

Lease liabilities are recognized at the commencement of a lease based on the sum of lease payments over the term of the lease. Lease liabilities are reduced as payments are made. A corresponding right-of-use asset is recognized at the same time as the lease liability based on the total amount of lease expense to be recognized, which is generally the same amount as the corresponding lease liabilities. Right-of-use assets are amortized over the life of the lease on a straight-line basis. The Company's lease agreements may include options to renew, extend, or terminate the lease. These clauses are included in the measurement of the lease liabilities when the Company is reasonably certain that it will exercise such options.

The Company has elected to exclude short-term leases from the recognition requirements of ASC 842. A lease is short-term if, at the commencement date, it has a term of less than or equal to one year. Lease expense related to short-term leases is recognized on a straight-line basis over the lease term.

Capitalized Software Costs

Capitalized software costs consist of costs to purchase and develop software for internal use. The Company capitalizes certain incurred software development costs in accordance with ASC 350-40, "Intangibles Goodwill and Other: Internal-Use Software." Costs incurred during the application-development stage for software purchased and further customized by outside vendors for the Company's use and software developed by a vendor for the Company's proprietary use have been capitalized. Labor costs incurred during the application-development stage for the Company's own personnel which are directly associated with software development are capitalized as appropriate. The Company expenses software and overhead cost incurred during the preliminary and/or post implementation of the project stage such as maintenance, training and upgrades or enhancements that do not increase functionality. Capitalized software costs are included in property and equipment.

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Business Combinations and Asset Acquisitions

Business Combinations are accounted for under the acquisition method in accordance with ASC 805, “*Business Combinations*.” The acquisition method requires identifiable assets acquired and liabilities assumed and any non-controlling interest in the business acquired to be recognized and measured at fair value on the acquisition date, which is the date that the acquirer obtains control of the acquired business. The amount by which the fair value of consideration transferred as the purchase price exceeds the net fair value of assets acquired and liabilities assumed is recorded as goodwill. Acquisitions that do not meet the definition of a business under the ASC are accounted for as asset acquisitions. Asset acquisitions are accounted for by allocating the cost of the acquisition to the individual assets acquired and liabilities assumed on a relative fair value basis. Goodwill is not recognized in an asset acquisition with any consideration in excess of net assets acquired allocated to acquired assets on a relative fair value basis. Transaction costs are expensed in a business combination and are considered a component of the cost of the acquisition in an asset acquisition.

Intangible Assets

Intangible assets consist of customer relationships, trade names, non-competition agreements and developed technology. The Company periodically evaluates whether events or changes in circumstances have occurred that indicate long-lived assets may not be recoverable. When such circumstances are present, the Company assesses whether the carrying value will be recovered through the expected undiscounted future cash flows resulting from the use and eventual disposition of the long-lived asset. In the event the sum of the expected undiscounted future cash flows is less than the carrying value of the long-lived asset, an impairment loss equal to the excess of the long-lived asset’s carrying value over its fair value is recorded in accordance with ASC 360-10-35. There were no impairment triggers during the year ended December 31, 2025.

Amortization expense is computed using the straight-line method over the following estimated useful lives:

	Years
Non-compete agreements	2 - 3
Developed Technology	3
Customer lists	2 - 6
Trade name	2 - 10

Goodwill

The Company records the excess of purchase price over the fair value of the tangible and identifiable intangible assets acquired and liabilities assumed in a business combination as goodwill. The Company has allocated goodwill for certain acquisitions to its Americas reportable segment and others to its Asia Pacific reportable segment. Goodwill is not amortized and is tested for impairment on an annual basis on October 1, or when an event or changes in circumstances indicate that its carrying value may not be recoverable.

Goodwill impairment is tested at the reporting unit level, which is defined as an operating segment or one level below the operating segment. The annual, or interim, goodwill impairment test is performed by comparing the fair value of a reporting unit with its carrying amount. An impairment charge is recognized for the amount by which the carrying amount exceeds the reporting unit’s fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit.

The Company has the option to perform a qualitative assessment for reporting units to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of one or more of its reporting units is greater than its carrying amount. If, after assessing the totality of events or circumstances, the Company determines it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, there is no need to perform any further testing. However, if the Company concludes otherwise, then it is required to perform a quantitative impairment test by calculating the fair value of the reporting unit and comparing the fair value with the carrying amount of the reporting unit. If the fair value of the reporting unit is less than its carrying value, an impairment loss is recorded based on that difference. Alternatively, the Company has the option to bypass the qualitative assessment for any reporting unit in any period.

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and proceed directly to performing the quantitative goodwill impairment test. There were no impairment charges recorded in either fiscal year 2025 or 2024.

Foreign Currency Translation

The financial position and results of operations of the Company's international subsidiaries are determined using local currency as the functional currency. Assets and liabilities of these subsidiaries are translated at the exchange rate in effect at each year-end. Statements of Operations accounts are translated at the average rate of exchange prevailing during each period. Translation adjustments arising from the use of differing exchange rates from period to period are included in the accumulated other comprehensive income (loss) account in stockholders' equity, other than translation adjustments on short-term intercompany balances, which are included in other income (expense). Gains and losses resulting from other foreign currency transactions are included in other income (expense). Intercompany receivable balances of a long-term investment nature are considered part of the Company's permanent investment in a foreign jurisdiction and the gains or losses on such balances are reported in other comprehensive income (loss).

Comprehensive Income (Loss)

Comprehensive income (loss) is defined to include all changes in equity except those resulting from investments by owners and distributions to owners. The Company's other comprehensive income (loss) is primarily comprised of foreign currency translation adjustments, which relate to investments that are permanent in nature.

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NOTE 3 – ACCOUNTING PRONOUNCEMENTS

In July 2025, the FASB issued Accounting Standards Update 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. The ASU provides a practical expedient for estimating expected credit losses on current accounts receivable and contract assets arising from revenue transactions under ASC 606. Under the expedient, entities may assume that conditions existing as of the balance-sheet date will remain unchanged over the remaining life of those assets, thereby simplifying the estimation process for short-term receivables. The amendments are effective for fiscal years beginning after December 15, 2025, including interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the impact of this ASU on its consolidated financial statements and related disclosures.

In September 2025, the FASB issued ASU 2025-06, "Intangibles — Goodwill and Other — Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software", ASU 2025-06 updates the accounting for internal-use software by removing the previous "project stage" model and requiring capitalization only when management authorizes and commits to funding a project that is probable of completion. The ASU also adds guidance on assessing development uncertainty, incorporates website development into Subtopic 350-40, and aligns presentation and disclosure requirements with ASC 360. The amendments are effective for annual periods beginning after December 15, 2027, and interim periods within those years, with early adoption permitted. Entities may apply the standard prospectively, modified-prospectively, or retrospectively. The Company is currently evaluating the impact of this guidance and does not expect the adoption to have a material effect on its consolidated financial statements.

Adoption of New Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-03, "Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses." This update requires public entities to disclose additional information about specific expense categories in the notes to the financial statements on both an interim and annual basis. Subsequently, in January 2025, the FASB issued ASU 2025-01, "Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date. The new guidance is effective for the Company for fiscal years beginning after December 15, 2026, and for interim periods within annual reporting periods beginning after December 15, 2027. It may be applied on a retrospective or prospective basis, with early adoption permitted. The Company evaluated the update to determine the impact on the Company's disclosures, and the amendments will be applied on a prospective basis.

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures." The amendments in this ASU improve segment reporting requirements, primarily through enhanced disclosures on significant segment expenses. Other disclosures that the ASU requires public entities to provide include the title and position of the Chief Operating Decision Maker ("CODM") and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources. In addition, the amendments enhance interim disclosure requirements, clarify circumstances in which an entity can disclose multiple segment measures of profit or loss, provide new segment disclosure requirements for entities with a single reportable segment, and contain other disclosure requirements. The amendments in this ASU are effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. A public entity should apply the amendments in this ASU retrospectively to all prior periods presented in the financial statements. The Company adopted this ASU for the year ended December 31, 2024, and has disclosed significant expenses reviewed by the CODM for each reportable segment, with no additional significant expenses identified beyond those presented. See Note 17, "Segment and Geographic Data" to the Consolidated Financial Statements.

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NOTE 4 – REVENUE RECOGNITION***Building Solutions Revenue Recognition***

Within the Building Solutions segment, we service residential and commercial construction projects by manufacturing modular housing units and other products, supplying general contractors with building materials and providing glue-laminated timber products (“glulam”) to distributors and end users. KBS manufactures modular buildings for both single-family residential homes and larger, commercial building projects. EdgeBuilder manufactures structural wall panels, permanent wood foundation systems, and other engineered wood products, and Glenbrook is a retail supplier of lumber and other building supplies. Retail sales at Glenbrook are recognized at the point of sale. TT manufactures glulam for various end markets and applications, including agriculture, industrial, infrastructure, and building construction (commercial and residential). For bill and hold sales, we determine when the customer obtains control of the product on a case-by-case basis to determine the amount of revenue to recognize each period. Revenue is generally recognized at point in time upon delivery of product or over time by measuring progress towards completion. There are no contracts as of December 31, 2025 that are subject to over time recognition.

Business Services Revenue Recognition

We account for a contract when both parties to the contract have approved the contract, the rights of the parties are identified, payment terms are identified, the contract has commercial substance, and collectability of consideration is probable. Revenues are recognized over time or as services are delivered to customers, using an input or output method, as the control of the promised services is transferred to the client in an amount that reflects the consideration we expect to be entitled to in exchange for those services. The majority of our contracts are short-term in nature as they include termination clauses that allow either party to cancel within a short termination period, without cause. Revenue includes billable travel and other reimbursable costs and is reported net of sales or use taxes collected from clients and remitted to taxing authorities.

We generally determine standalone selling prices based on the prices included in our client contracts, using expected cost plus profit, or other observable prices. The price as specified in our client contracts is generally considered the standalone selling price as it is an observable input that depicts the price as if sold to a similar client in similar circumstances. Certain client contracts have variable consideration, including usage-based fees that increase the transaction price and volume rebates or other similar items that generally reduce the transaction price. We estimate variable consideration using the expected value method based on the terms of the client contract and historical evidence. These amounts may be constrained and are only included in revenue to the extent we do not expect a significant reversal when the uncertainty associated with the variable consideration is resolved. Other than bonuses to be paid to contractors, on behalf of our clients, our estimated amounts of variable consideration subject to constraints are not material, and we do not believe that there will be significant changes to our estimates. Certain contract employees are entitled to performance bonuses at the sole discretion of the client and are constrained until approved. \$1.1 million in bonuses were approved and paid to our contract employees in year ended December 31, 2025. No bonuses were approved and paid to our contract employees on behalf of our clients for year ended December 31, 2024.

We record accounts receivable when our right to consideration becomes unconditional. Contract assets primarily relate to our rights to consideration for services provided that such rights to consideration are conditional on satisfaction of future performance obligations. A contract liability for deferred revenue is recorded when consideration is received, or is unconditionally due, from a client prior to transferring control of services to the client under the terms of a contract. Deferred revenue balances typically result from advance payments received from clients prior to transferring control of services. Other than deferred revenue, we do not have any material contract assets or liabilities as of and for the year ended December 31, 2025 and 2024.

Payment terms vary by client and the services being provided to the client. We consider payment terms that exceed one year to be extended payment terms. Substantially all of the Company’s contracts include payment terms of 90 days or less, and we do not extend payment terms beyond one year.

We primarily record revenue on a gross basis in the Consolidated Statements of Operations and Comprehensive Income based upon the following key factors:

- We maintain the direct contractual relationship with the client and are responsible for fulfilling the service promised to the client.

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- We maintain control over our contractors while the services to the client are being performed, including our contractors' billing rates, and are ultimately responsible for paying them.

RPO. We provide complete recruitment outsourcing, project-based outsourcing, and recruitment consulting services for clients' permanent staff hires. We recognize revenue for our RPO over time in an amount that reflects the consideration we expect to be entitled to and have an enforceable right to payment in exchange for our services. The client simultaneously receives and consumes the benefits of the services as they are provided. The transaction prices contain both fixed fees and variable consideration. Variable consideration is constrained by candidates accepting offers of permanent employment. We recognize revenue on fixed fees as the performance obligations are satisfied and variable fees as the constraint is lifted. We do not incur incremental costs to obtain our RPO contracts. The costs to fulfill these contracts are expensed as incurred.

We recognize permanent placement revenue when employment candidates accept offers of permanent employment. We have a substantial history of estimating the financial impact of permanent placement candidates who do not remain with our clients through a guarantee period. Fees to clients are generally calculated as a percentage of the new employee's annual compensation. No fees for permanent placement services are charged to employment candidates.

Contracting. We provide clients with a range of outsourced professional contract staffing services and managed service provider services, sometimes offered on a standalone basis and sometimes offered as part of a blended total talent solution. We recognize revenue for our contracting services over time as services are performed in an amount that reflects the consideration we expect to be entitled to and have an enforceable right to payment in exchange for our services, which is generally calculated as hours worked multiplied by the agreed-upon hourly bill rate. The client simultaneously receives and consumes the benefits of the services as they are provided. We do not incur incremental costs to obtain our contracts for outsourced professional contract staffing services and managed service provider services. The costs incurred to fulfill these contracts are expensed as incurred.

Unsatisfied performance obligations. As a practical expedient, we do not disclose the value of unsatisfied performance obligations for (i) contracts with an expected original duration of one year or less and (ii) contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed.

Energy Services Revenue Recognition

ADT is principally engaged in the business of renting drilling tools. We also sell new drilling tools, drilling parts, supplies, and used rental tools. In addition, ADT offers repair services to support its customers. Tools purchased for sale are recorded as inventory. Tools intended for rental are recorded as part of fixed assets. Equipment rental revenue is recognized on a straight-line basis over the length of the rental contract. New tools, parts, and supplies sales are recognized as revenue upon transfer of control, which generally occurs when products are picked up by or delivered to the customer. Repair services revenues are recognized in the period the services are provided. Upon the sale of other rental tools from fixed assets, we recognize a gain or loss on the sale in other income (expense), net.

ADT's equipment rental agreements generally contain provisions whereby should the rented tools or components provided to a customer be deemed to be irretrievably lost during drilling operations, commonly referred to as "lost-in-hole," ADT has the right to receive reimbursement for such losses. Amounts billed to customers are at an agreed upon price relative to the specific piece of equipment, the revenue of which is recognized at the time the loss of the equipment is confirmed. The gross profit recognized from lost-in-hole transactions is normally calculated as the difference between the amounts billed to the customer and the net book value of the lost equipment. This gross profit is presented as a separate line item in the statement of cash flows under operating activities, and the cash received in connection with these activities is presented as an offset to cash purchases of property and equipment in the investing section of the statement of cash flows, to the extent it does not exceed the cash used for the purchases of the replacement equipment. Revenue recognized for the period ended December 31, 2025, totaled \$418. No significant lost-in-hole reimbursements were outstanding or contingent as of the end of the year.

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Billings in excess of costs and estimated profit. We recognize billings in excess of costs and estimated profit on uncompleted contracts within current liabilities. Such amounts relate to fixed-price contracts recognized over time, and represents payments in advance of performing the related contract work. Billings in excess of costs and estimated profit on uncompleted contracts are not considered to be a significant financing component because they are generally used to meet working capital demands that can be higher in the early stages of a contract. Contract liabilities are reduced when the associated revenue from the contract is recognized, which is generally within one year. There are no liabilities associated with billings in excess of costs at December 31, 2025.

Contract Costs. We recognize an asset for the incremental costs of obtaining a contract with a customer if we expect the benefit of those costs to be longer than one year. The Company applies a practical expedient to expense costs as incurred for these costs when the amortization period is one year or less. These costs primarily consist of internal sales commissions; under the terms of these programs these are generally earned and the costs are recognized at the time the associated revenue is recognized. As of December 31, 2025, there were no contract costs recognized.

Deferred Revenue. Deferred revenue represents customer deposits and advanced payments for contracts that are subject to point-in-time recognition, or payments received prior to transferring control of services to customers. We have determined our contracts do not include a significant financing component.

Changes in deferred revenue for the year ended December 31, 2025 are as follows:

Balance at December 31, 2024	\$	129
Revenue recognized that was included in balance at beginning of the year		(129)
Deferred revenue, net, assumed from the acquisition of Star Operating Companies		3,609
Deferred revenue, net, related to contracts entered into during the year		(2,113)
Balance at December 31, 2025	\$	<u>1,496</u>

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Disaggregation of Revenue

The following tables present our revenue disaggregated by major source for the years ended December 31, 2025 and 2024, respectively:

	Year ended December 31, 2025			Total
	Building Solutions	Business Services	Energy Services	
Major Goods/Service Lines				
Revenue from RPO Customers	\$ —	\$ 68,379	\$ —	\$ 68,379
Revenue from Contracting Customers	—	71,273	—	71,273
Revenue from Other Contracts with Customers	27,578	—	4,929	32,507
Total Revenues	\$ 27,578	\$ 139,652	\$ 4,929	\$ 172,159
Timing of Revenue Recognition				
Services and goods transferred over time	\$ —	\$ 99,386	\$ 3,447	\$ 102,833
Services and goods transferred at a point in time	27,578	40,266	1,482	69,326
Total Revenues	\$ 27,578	\$ 139,652	\$ 4,929	\$ 172,159

	Year ended December 31, 2024	
	Business Services	
Major Goods/Service Lines		
Revenue from RPO Customers	\$ —	67,993
Revenue from Contracting Customers	—	72,063
Total Revenues	\$ —	140,056
Timing of Revenue Recognition		
Services and goods transferred over time	\$ —	103,098
Services and goods transferred at a point in time	—	36,958
Total Revenues	\$ —	140,056

NOTE 5 – ACQUISITIONS
Star Operating Companies

On August 22, 2025, the Company completed its previously announced acquisition of SOC pursuant to the Agreement and Plan of Merger, dated as of May 21, 2025 (the “Merger Agreement”). This resulted in a business combination pursuant to ASC 805, *Business Combinations*.

The terms of the Merger Agreement determined consideration for the purchase as follows: at the Effective Time, (i) each share of common stock of SOC issued and outstanding immediately prior to the Effective Time (other than certain shares as set forth in the Merger Agreement) were automatically converted into the right to receive 0.23 shares of Company common stock and (ii) each share of preferred stock of SOC issued and outstanding immediately prior to the Effective Time (other than certain shares set forth in the Merger Agreement) were automatically converted into the right to receive one (1) share of Star 10% Series A Cumulative Perpetual preferred stock (“Preferred Stock”). As a result of the Merger, former SOC common stockholders received approximately 744,291 shares of Star common stock for their SOC common shares and former SOC preferred stockholders received approximately 2,690,637 shares of Preferred Stock. No fractional shares of Star common stock were issued in the Merger, and SOC stockholders became entitled to receive cash in lieu of fractional shares in accordance with the Merger Agreement. The total consideration paid for SOC, which represents the fair value of the common and preferred stock, totaled approximately \$32,174. Prior to the completion of the Merger Agreement, the Company determined that the Merger Agreement was in the best interests of the Company and for each of the Star and the SOC stockholders.

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In accordance with ASC 805, *Business Combinations*, we accounted for this transaction as a business combination and recorded the acquired assets of SOC at their estimated fair value. The valuation of assets acquired and liabilities assumed has not yet been finalized as of December 31, 2025. The purchase price allocation is preliminary and subject to change, including the valuation of property and equipment, intangible assets, inventory, income taxes, and goodwill, among other items. The amounts recognized will be finalized as the information necessary to complete the analysis is obtained, but no later than one year after the acquisition date. Finalization of the valuation during the measurement period could result in a change in the amounts recorded for the acquisition date fair value. The fair values of assets acquired and liabilities assumed were determined using valuation techniques consistent with ASC 820, *Fair Value Measurement*. These fair value measurements are considered nonrecurring and were determined as of the acquisition date. As noted in Note 2, Description of Business, SOC is reported as part of our Building Solutions, Energy Services, and Investments segments. The Company incurred transaction costs related to the SOC Acquisition of \$1,600 that were expensed as part of "Office and general".

During the measurement period, the Company recorded adjustments to the preliminary purchase price allocation related to additional information obtained about facts and circumstances that existed as of the acquisition date. These adjustments resulted in an increase to Accrued expenses and other current liabilities of \$896 and a decrease to Inventory and Accounts receivable, net of \$457 and \$352, respectively. In addition, Notes receivable, net of current portion increased by \$1,705 to reflect updated information obtained during the measurement period regarding the terms and estimated fair value of the contingent consideration associated with the Catalyst acquisition.

The increase in Accrued expenses and other current liabilities primarily reflects the recognition of pre-acquisition obligations consisting of \$180 for litigation expenses, \$375 of sales tax liabilities, \$65 of professional fees, and \$428 of current liabilities related to inventory management system implementation and benefit cost, partially offset by a \$152 state tax refund. The decrease in Accounts receivable, net relates to the write-off of a receivable that was determined not to be collectible as of the acquisition date.

In connection with the terms of the acquisition of ADT by Star Operating Companies, Inc. on March 3, 2025, the Company agreed to pay \$1.0 million in cash to the former owners of ADT on or before the one-year anniversary of the acquisition date.

Related Party Considerations

As disclosed in the Registration Statement on Form S-4, which was declared effective by the SEC on July 22, 2025, and the Joint Proxy Statement/Prospectus filed with the SEC on July 23, 2025 (the "Joint Proxy Statement/Prospectus"), Jeffrey Eberwein, Hudson's Chief Executive Officer and the holder of approximately 10% of Hudson's common stock at the time of the Merger, was also a director and substantial stockholder of Star Operating Companies. The number of shares of common stock issued in connection with the Merger represented in excess of 5% of the shares of Hudson common stock outstanding immediately prior to the Merger, and stockholders of Star Operating Companies immediately prior to the Merger held approximately 21% of the outstanding shares of Hudson common stock following the consummation of the Merger. Mr. Eberwein continues to serve as Chief Executive Officer and remains a significant stockholder of the Company, holding approximately 27% of outstanding shares of Star Equity Holdings, Inc. as of December 31, 2025.

The following table sets forth the purchase price allocation of SOC to the estimated fair value of assets acquired as of the acquisition date:

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		Fair Value
Assets Acquired:		
Cash and cash equivalents	\$	4,641
Restricted cash, current		597
Investments in equity securities		2,561
Accounts receivable		11,463
Inventories, net		9,101
Note receivable, current portion		269
Prepaid and other		1,246
Property and equipment, net		17,959
Operating lease right-of-use assets		8,608
Long term investments		953
Notes receivable, net of current portion		8,473
Restricted cash, non-current		1,729
Assets Acquired	\$	67,600
Liabilities Assumed:		
Current payables	\$	3,203
Accrued salaries, commissions and benefits		2,165
Accrued expenses and other current liabilities		5,162
Short-term debt		6,042
Deferred revenue		3,609
Operating lease liabilities, current portion		228
Long-term debt, net of current portion		6,630
Operating lease liabilities, net of current portion		8,387
Liabilities assumed	\$	35,426
Fair value of consideration transferred	\$	32,174

The revenue and net income of SOC from August 22, 2025 through December 31, 2025 totaled \$32,507 and \$613, respectively.

Unaudited Pro Forma Financial Information

The following unaudited consolidated pro forma information gives effect to the acquisitions of SOC as if the transactions had occurred on January 1, 2024.

<i>Pro-forma</i>	Year ended December 31,			
	2025		2024	
Revenue	\$	222,967	\$	193,415
Gross Profit	\$	93,995	\$	81,207
Net loss attributable to common shareholders	\$	(6,589)	\$	(17,248)

Alpha Consulting Group Acquisition

On July 23, 2025, the Company announced that it had acquired Alpha Consulting Group (“ACG”) (“Seller”), a Japan-based provider of recruitment services. The acquisition of ACG represents the Company’s entry into the Japanese market as part of its localization strategy for its Business Services segment. In connection with the ACG acquisition, the Seller received total \$146 in cash, subject to certain adjustments, at closing. There were no earn-out payment arrangements associated with the transaction. The ACG acquisition was accounted for as a business combination under the acquisition method of accounting. The total purchase price of \$146 consisted of \$200 paid in cash, net of cash acquired of \$14, and a working capital adjustment of negative \$68. The purchase price was allocated to the net tangible and intangible assets and liabilities based on their estimated fair values as of the acquisition date, with the excess recorded as goodwill. The Company incurred \$11 of transaction costs related to the ACG Acquisition, which were expensed as part of “Office and general.”

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The Company's Consolidated Statements of Operations for the year ended December 31, 2025, included revenue of \$254 and net loss of \$136 from ACG.

Below is a summary of the fair value of the net assets acquired on the acquisition date:

	Fair Value
Assets Acquired:	
Cash and cash equivalents	\$ 10
Accounts receivable	29
Prepaid and other	5
Intangible assets	95
Goodwill	242
Restricted cash, non-current	4
Assets Acquired	\$ 385
Liabilities Assumed:	
Current payables	\$ 77
Accrued salaries, commissions and benefits	3
Accrued expenses and other current liabilities	126
Deferred tax Liabilities	33
Liabilities Assumed	\$ 239
Fair value of consideration transferred	\$ 146

NOTE 6 – STOCK-BASED COMPENSATION

Equity Compensation Plans

The Company maintains the Hudson Global, Inc. 2009 Incentive Stock and Awards Plan, as amended and restated on May 24, 2016 and further amended on September 14, 2020, May 17, 2022 and August 22, 2025 (the "ISAP"), pursuant to which it can issue equity-based compensation incentives to eligible participants. The ISAP permits the granting of stock options, restricted stock, restricted stock units, and other types of equity-based awards. The Compensation Committee (the "Compensation Committee") of the Board of Directors (the "Board") will establish such conditions as it deems appropriate for the granting or vesting of stock options, restricted stock, restricted stock units and other types of equity-based awards. As determined by the Compensation Committee, equity awards may also be subject to immediate vesting upon the occurrence of certain events including death, disability, retirement or a change in control of the Company. When we make grants of restricted stock or restricted stock units to our executive officers, including the named executive officers, we enter into Restricted Stock Agreements and Restricted Stock Unit Agreements with such executive officers that contain provisions that are triggered upon a termination of an executive officer or a change in control of our Company. For awards of restricted stock granted beginning on November 6, 2015, effective upon a change in control of our Company, if the executive is employed by us or an affiliate of ours immediately prior to the date of such change in control and is subsequently terminated within 12 months following the date of such change in control, the shares of restricted stock will fully vest and the restrictions imposed upon the restricted stock will be immediately deemed to have lapsed. For awards of restricted stock units granted beginning on March 10, 2016, effective upon a change in control of our Company, if the executive is employed by us or an affiliate of ours immediately prior to the date of such change in control and is subsequently terminated within 12 months following the date of such change in control, the restricted stock units will fully vest and the restrictions imposed upon the restricted stock units will be immediately deemed to have lapsed. The Company primarily grants restricted stock and restricted stock units to its employees. A restricted stock unit is equivalent to one share of the Company's common stock and is payable only in common stock of the Company issued under the ISAP.

The Compensation Committee administers the ISAP and may designate any of the following as a participant under the ISAP: any officer or other employee of the Company or its affiliates or individuals engaged to become an officer or employee, consultants, or other independent contractors who provide services to the Company or its affiliates, and non-employee directors of the Company. On August 31, 2025, the Company's stockholders at the 2025 Annual Meeting of Stockholders approved amendments to the ISAP to, among other things, increase the number of shares of the Company's common stock that are reserved for issuance by 400,000 shares and to permit the issuance of 175,000 shares of the Company's preferred stock. As of

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December 31, 2025, there were 337,245 shares of the Company's common stock and 170,320 shares of the Company's preferred stock available for future issuance under the ISAP.

All share issuances related to stock compensation plans are issued from the aforementioned stock available for future issuance under stockholder approved compensation plan.

During the year 2025, the Company granted 48,688 restricted stock units subject to performance vesting conditions for the year ended December 31, 2025. In addition, the Company granted 8,918 time-vested restricted stock units to a certain employee that were not subject to performance conditions. The RSUs vest on the first anniversary of the grant date, with each RSU representing the right to receive one share of common stock upon settlement. Additionally, 66,171 time-vested restricted stock units were granted to the Global Chief Executive Officer at Hudson Talent Solutions. During 2024, the Company granted 47,647 restricted stock units subject to performance vesting conditions and granted 12,540 of discretionary time-vested restricted stock units to certain employees that were not subject to performance conditions. Additionally, 70,373 time-vested restricted stock units were granted to the Global Chief Executive Officer at Hudson RPO in 2024. In connection with the merger on August 22, 2025, the Company converted the unvested restricted stock unit awards previously granted under SOC's equity incentive plans at the exchange ratio of 0.23 shares to 1. As of the merger date, these assumed awards consisted of 22,717 performance-based restricted stock units and 6,046 time-based restricted stock units. The assumed awards continue to be subject to their original vesting terms and conditions, and are recognized as part of the Company's ongoing stock-based compensation expense.

A summary of the quantity and vesting conditions for stock-based units granted to the Company's employees for the year ended December 31, 2025 was as follows:

Vesting conditions	Number of Restricted Stock Units Granted
Performance and service conditions - Type 1 ⁽¹⁾⁽²⁾	13,296
Performance and service conditions - Type 2 ⁽¹⁾⁽²⁾	35,392
Service conditions only - Type 1 and Type 3 ⁽²⁾⁽³⁾	75,089
Total shares of stock award granted	<u>123,777</u>

(1) The performance conditions with respect to restricted stock units may be satisfied as follows:

(a) For grants to Corporate office employees subject to 2025 performance conditions, 100% of the restricted stock units may be earned on the basis of performance as measured by a "group adjusted EBITDA".

(2) To the extent restricted stock units are earned, such restricted stock units will vest on the basis of service as follows:

(a) 33% and 66.6% for Type 1 and Type 2, respectively, of the restricted stock units will vest on the first anniversary of the grant date;

(b) 33% and 16.7% for Type 1 and Type 2, respectively, of the restricted stock units will vest on the second anniversary of the grant date; and

(c) 34% and 16.7% for Type 1 and Type 2, respectively, of the restricted stock units will vest on the third anniversary of the grant date; provided that, in each case, the employee remains employed by the Company from the grant date through the applicable service vesting date.

(3) To the extent restricted stock units are earned, such restricted stock units will vest on the basis of service as follows:

(a) 100% for Type 3 of the restricted stock units will vest on the first anniversary of the grant date.

The Company also maintains the Director Deferred Share Plan (the "Director Plan") as part of the ISAP pursuant to which it can issue restricted stock units to its non-employee directors. A restricted stock unit is equivalent to one share of the Company's common stock, and prior to the acquisition of SOC were payable in common stock issued under the ISAP upon a director ceasing service as a member of the Company's Board. Restricted stock units granted to directors vest over one year. Restricted stock units issued under the Director Plan contain the right to a dividend equivalent award in the form of additional restricted stock units. The dividend equivalent award is calculated using the same rate as the cash dividend paid on a share of the Company's common stock, and then divided by the closing price of the Company's common stock on the date the dividend

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is paid to determine the number of additional restricted stock units to grant. Dividend equivalent awards have the same vesting terms as the underlying awards. During the years ended December 31, 2025 and 2024, the Company granted 54,241 and 20,284 restricted stock units to its non-employee directors pursuant to the Director Plan, respectively.

As of December 31, 2025, 12,169 restricted stock units are deferred under the Company's ISAP.

For the years ended December 31, 2025 and 2024, the Company's stock-based compensation expense related to restricted stock units and restricted shares of common stock, which are included in the accompanying Consolidated Statements of Operations, were as follows:

	For The Year Ended December 31,	
	2025	2024
Restricted stock units	\$ 1,497	\$ 1,173
Restricted stock units-cash settled liabilities	—	107
Total	\$ 1,497	\$ 1,280

As of December 31, 2025 and 2024, the Company's unrecognized compensation expense and the weighted average periods over which the compensation expense is expected to be recognized relating to the unvested portion of the Company's restricted stock unit awards, were as follows:

	As of December 31,			
	2025		2024	
	Unrecognized Expense	Weighted Average Period in Years	Unrecognized Expense	Weighted Average Period in Years
Restricted stock units	\$ 1,182	0.9	\$ 1,445	0.9

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Restricted Stock Units

Changes in the Company's restricted stock units arising from grants to certain employees and non-employee directors for the years ended December 31, 2025 and 2024 were as follows:

	Year Ended December 31, 2025					
	Performance-based		Time-based/Director		Total	
	Number of Shares of Restricted Stock Units	Weighted Average Grant-Date Fair Value	Number of Shares of Restricted Stock Units	Weighted Average Grant-Date Fair Value	Number of Shares of Restricted Stock Units	Weighted Average Grant-Date Fair Value
Unvested restricted stock units at January 1	55,591	\$ 17.58	128,474	\$ 14.96	184,065	\$ 15.75
Granted	48,688	\$ 13.15	129,330	\$ 9.74	178,018	\$ 10.67
SOC Grants assumed	22,717	\$ 15.17	6,046	\$ 14.07	28,763	\$ 14.94
Vested	(16,419)	\$ 24.05	(63,101)	\$ 13.90	(79,520)	\$ 16.00
Forfeited	(48,311)	\$ 14.87	(3,264)	\$ 20.97	(51,575)	\$ 15.26
Unvested restricted stock units at December 31	<u>62,266</u>	<u>\$ 13.64</u>	<u>197,485</u>	<u>\$ 11.75</u>	<u>259,751</u>	<u>\$ 12.20</u>

	Year Ended December 31, 2024					
	Performance-based		Time-based/Director		Total	
	Number of Shares of Restricted Stock Units	Weighted Average Grant-Date Fair Value	Number of Shares of Restricted Stock Units	Weighted Average Grant-Date Fair Value	Number of Shares of Restricted Stock Units	Weighted Average Grant-Date Fair Value
Unvested restricted stock units at January 1	95,264	\$ 23.49	80,422	\$ 16.50	175,686	\$ 20.29
Granted	47,647	\$ 14.51	103,197	\$ 15.03	150,844	\$ 14.87
Vested	(58,479)	\$ 22.40	(54,465)	\$ 17.21	(112,944)	\$ 19.90
Forfeited	(28,841)	\$ 22.27	(680)	\$ 27.16	(29,521)	\$ 22.38
Unvested restricted stock units at December 31	<u>55,591</u>	<u>\$ 17.58</u>	<u>128,474</u>	<u>\$ 14.96</u>	<u>184,065</u>	<u>\$ 15.75</u>

(a) The number of shares earned above target are based on the performance targets established by the Compensation Committee at the initial grant date.

The total fair value of restricted stock units vested during the years ended December 31, 2025 and 2024 were as follows:

	For The Year Ended December 31,	
	2025	2024
Fair value of restricted stock units vested	\$ 1,112	\$ 1,693

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NOTE 7 – INCOME TAXES
Income Tax Provision

The domestic and foreign components of net income before provision for income taxes is as follows:

	Year ended December 31,	
	2025	2024
Domestic	\$ (3,725)	\$ (31,531)
Foreign	(131)	28,061
(Loss) income before provision for income taxes	<u>\$ (3,856)</u>	<u>\$ (3,470)</u>

The components of the provision for (benefit from) income taxes are as follows:

	Year ended December 31,	
	2025	2024
Current tax provision (benefit):		
U.S. Federal	\$ —	\$ —
State and local	31	(15)
Foreign	1,088	783
Total current provision for (benefit from) income taxes	<u>1,119</u>	<u>768</u>
Deferred tax provision (benefit):		
U.S. Federal	—	—
State and local	—	—
Foreign	942	532
Total deferred provision (benefit) from income taxes	<u>942</u>	<u>532</u>
Total provision for income taxes	<u>\$ 2,061</u>	<u>\$ 1,300</u>

	Year ended December 31,	
	2025	
Income taxes paid:		
U.S. Federal	\$	95
State and local		163
Foreign		
Australia		1,233
U.K.		233
India		134
Other		37
Total Foreign		<u>1,637</u>
Total income taxes paid	<u>\$</u>	<u>1,895</u>

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Tax Rate Reconciliation

The effective tax rate (“ETR”) for the year ended December 31, 2025 was negative 53.4%, compared to negative 37.5% for 2024. For the year ended December 31, 2025, the effective tax rates differed from the U.S. federal statutory rate of 21% primarily due to pre-tax losses for which no tax benefit can be recognized, changes in valuation allowances in the U.S. and certain foreign jurisdictions that reduce or eliminate the ETR on current year profits or losses, foreign tax rate differences, and non-deductible expenses. For the year ended December 31, 2024, the effective tax rates differed from the U.S. federal statutory rate of 21% primarily due to pre-tax losses for which no tax benefit can be recognized, changes in valuation allowances in the U.S., China, and certain foreign jurisdictions that reduce or eliminate the ETR on current year profits or losses, foreign tax rate differences, and non-deductible expenses. The current year ETR differs significantly from the prior year ETR primarily due to the interaction of similar rate reconciliation items, including change in valuation allowance, combined with a shift in the geographic mix of earnings toward higher-tax jurisdictions, including Australia.

The following is a reconciliation of the effective tax rate for the year ended December 31, 2025 to the U.S. federal statutory rate of 21%:

	Year ended December 31, 2025	
	Amount	Percent
US federal statutory income tax rate	\$ (810)	21.0 %
Domestic federal		
Nontaxable and nondeductible items		
Nondeductible employee compensation	151	(3.9)%
Nondeductible professional fees	471	(12.2)%
Nondeductible share based compensation	376	(9.7)%
Other	149	(3.9)%
Changes in valuation allowance	(9,188)	238.2 %
Operating losses expired	8,833	(229.0)%
Domestic state and local income taxes, net of federal effect ¹	32	(0.8)%
Foreign tax effects		
United Arab Emirates		
Changes in valuation allowance	329	(8.5)%
Australia		
Statutory income tax rate differential	385	(10.0)%
Noncreditable withholding tax	41	(1.1)%
United Kingdom		
Deferred investment impairment true-up and NOL carryback	1,111	(28.8)%
Other	13	(0.3)%
Other foreign jurisdictions	162	(4.2)%
Worldwide changes in unrecognized tax benefits	6	(0.2)%
Provision for income taxes	<u>\$ 2,061</u>	(53.4)%

¹ State and local income taxes in Pennsylvania and Texas comprise the majority of the domestic state and local income taxes, net of federal effect category

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The following is a reconciliation of the effective tax rate for the year ended December 31, 2024 to the U.S. federal statutory rate of 21%:

	Year ended December 31,
	2024
Provision at federal statutory rates	\$ (729)
State income taxes, net of federal benefit	1,133
Change in valuation allowance	6,817
Taxes related to foreign income	(1,506)
Non-deductible expenses	(4,943)
Uncertain tax positions	6
Prior period adjustments	395
Permanent differences and other	127
Provision for income taxes	\$ 1,300

Deferred Taxes Assets (Liabilities)

Deferred income taxes are provided for the tax effect of temporary differences between the financial reporting basis and the tax basis of assets and liabilities. Net deferred tax assets have been reported as non-current in the accompanying Consolidated Balance Sheets. Significant temporary differences at December 31, 2025 and 2024 are as follows:

	As of December 31,	
	2025	2024
Deferred tax assets (liabilities):		
Allowance for expected credit losses	\$ 89	\$ 108
Property and equipment	(7,383)	(170)
Goodwill and intangibles	4,863	714
Accrued compensation	1,417	1,786
Accrued liabilities and other	4,607	29
Loss carryforwards	65,855	73,672
Deferred tax assets before valuation allowance	69,448	76,139
Valuation allowance	(67,537)	(73,491)
Deferred tax assets, net of valuation allowance	\$ 1,911	\$ 2,648

As a result of the enactment of the Tax Act, the Company has provided tax on GILTI, and therefore, future repatriations of previously unremitted foreign earnings are expected to either be exempt from U.S. taxation or offset by net operating losses ("NOLs"). The Company has not provided any withholding tax with respect to unremitted foreign earnings at December 31, 2025 and December 31, 2024.

On July 4, 2025, the One Big Beautiful Bill (OBBB) Act, which includes a broad range of tax reform provisions, was signed into law in the United States. The OBBB Act did not have a material impact on our annual effective tax rate in 2025 and we do not expect it to have a material impact in 2026.

Net Operating Losses ("NOLs"), Capital Losses, and Valuation Allowance

At December 31, 2025, the Company had losses for U.S. federal and state tax purposes of approximately \$239,961 consisting of U.S. federal and state NOLs incurred through December 31, 2025 of \$215,405 and U.S. federal and state capital losses of \$24,556 as a result of the HEBV liquidation. U.S. federal NOLs incurred through December 31, 2017 expire at various dates through 2037 with \$22,867 scheduled to expire during 2025. U.S. federal and State NOLs incurred in or after 2018 have an indefinite carryforward period, which can be offset by 80% of future taxable income in any given year. U.S. federal and state capital losses incurred in 2024 will expire after five years during 2029.

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The Company's utilization of U.S. NOLs is subject to an annual limitation imposed by Section 382 of the Internal Revenue Code ("IRC"), which may limit our ability to utilize all the existing NOLs before the expiration dates.

Based upon IRC Section 382 studies prepared by the Company, Section 382 ownership changes have occurred that will result in \$224,124 of the Company's federal and state NOLs generated through December 2006 and recognized built-in losses during the five-year period after December 2006 being subject to IRC Section 382 limitations. As a result of IRC Section 382 limitations, \$22,131 of the \$224,124 NOLs that are limited are expected to expire prior to utilization specifically as a result of the IRC Section 382 cumulative annual limitations.

In addition, based upon an IRC Section 382 study prepared by Star Operating Companies Inc (SOC), a Section 382 ownership change occurred due to the merger which will result in \$82,338 of SOC's federal and State NOLs generated through August 2025 and recognized built-in losses during the five-year period after August 2025 being subject to IRC Section 382 limitations. As a result of IRC Section 382 limitations, \$68,350 of the \$82,338 that are limited are expected to expire prior to utilization specifically as a result of the IRC Section 382 cumulative annual limitations.

Accordingly, the U.S. federal and state NOLs of \$239,961, as indicated above, excluded the \$90,481 of tax losses expected to expire prior to utilization due to IRC Section 382 cumulative annual limitations and the deferred tax asset for loss carryforwards of \$61,759 also excluded \$23,428 of related tax benefits.

As of December 31, 2025, certain international subsidiaries had NOLs for local tax purposes of \$19,588. With the exception of \$14,504 of NOLs with an indefinite carry forward period as of December 31, 2025, these losses will expire at various dates through 2026 to 2045, with \$4 scheduled to expire during 2026. The deferred tax recognized for NOLs are presented net of unrecognized tax benefits, where applicable.

ASC 740-10-30-5 requires that a valuation allowance be established when it is more likely than not that all or a portion of a deferred tax asset will not be realized. In making this assessment, management considers the level of historical taxable income, scheduled reversals of deferred tax liabilities, tax planning strategies, and projected future taxable income. As of December 31, 2025, \$63,090 of the valuation allowance relates to the deferred tax asset was comprised of NOLs for U.S. capital losses of \$5,984, U.S. federal and state NOLs of \$55,775, and foreign NOLs of \$1,331, that management has determined will more likely than not expire prior to realization. The remaining valuation allowance of \$4,447 relates to deferred tax assets on U.S. and foreign temporary differences that management estimates will not be realized due to the Company's U.S. and foreign tax losses.

Uncertain Tax Positions

A reconciliation of the beginning and ending amount of unrecognized tax benefits, excluding interest and penalties is as follows:

	2025	2024
Balance, beginning of year	\$ 60	\$ 60
Additions for tax positions of current years	—	—
Additions for tax positions of prior years	—	—
Reductions for tax positions of prior years	—	—
Expiration of applicable statutes of limitations	—	—
Balance, end of year	<u>\$ 60</u>	<u>\$ 60</u>

The total amount of state and local and foreign unrecognized tax benefits that, if recognized, would affect the effective tax rate was \$60 as of both December 31, 2025 and December 31, 2024, exclusive of interest and penalties.

The Company recognizes accrued interest and penalties related to unrecognized tax benefits as part of the provision for income taxes. As of December 31, 2025 and December 31, 2024, the Company had \$39 and \$33, respectively, of accrued interest and penalties associated with unrecognized tax benefits.

In many cases, the Company's unrecognized tax benefits are related to tax years that remain subject to examination by the relevant tax authorities. Tax years with NOLs remain open until such losses expire or the statutes of limitations for those

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years when the NOLs are used or expire. As of December 31, 2025, the Company's open tax years which remain subject to examination by the relevant tax authorities, are between 2015 and 2025, depending on the jurisdiction.

The Company believes that its unrecognized tax benefits as of December 31, 2025 are appropriately recorded for all years subject to examination above.

NOTE 8 – ACCOUNTS RECEIVABLE, NET

Accounts receivable balances are composed of trade and unbilled receivables. Unbilled accounts receivable represent revenue recorded in advance of processing formal invoices pursuant to the completion of contract provisions and, generally, become billable at contractually specified dates. Unbilled receivables of \$6,960 and \$5,925 as of December 31, 2025 and 2024, respectively, are expected to be invoiced and collected within one year. The Company records accounts receivable when its right to consideration becomes unconditional. Contract assets primarily relate to our rights to consideration for services provided that they are conditioned on satisfaction of future performance obligations. Accounts receivable, net, are stated at the amount the Company expects to collect, which is net of estimated losses resulting from the inability of its customers to make required payments.

The Company generally establishes customer credit limits and estimates the allowance for credit losses on a country or geographic basis. Customer credit limits are based upon an initial evaluation of the customer's credit quality, and we adjust that limit accordingly based upon ongoing credit assessments of the customer, including payment history and changes in credit quality. Consistent with our adoption of ASU 2016-13, effective January 1, 2023 (refer to Note 2 – Summary of Significant Accounting Policies), the allowance for expected credit losses is determined based on an assessment of past collection experience as well as consideration of current and future economic conditions and changes in our customer collection trends.

The following table summarizes the components of "Accounts receivable, net" as presented on the Consolidated Balance Sheets:

	As of December 31,	
	2025	2024
Accounts Receivable:		
Billed receivables	\$ 28,535	\$ 14,559
Unbilled receivables	6,960	5,925
Accounts Receivable, Gross	\$ 35,495	\$ 20,484
Allowance for expected credit losses	(275)	(391)
Accounts Receivable, Net	\$ 35,220	\$ 20,093

The following table summarizes the total provision for expected credit losses and write-offs:

	For The Year Ended December 31,	
	2025	2024
Beginning balance	\$ 391	\$ 378
Provision for expected credit losses	103	24
Write-offs and other	(317)	(11)
Allowance for expected credit losses, assumed from the acquisition of Star Operating Companies	98	—
Ending Balance	\$ 275	\$ 391

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NOTE 9 – DEBT

A summary of debt outstanding as of December 31, 2025 is as follows:

	December 31, 2025	
	Amount	Weighted-Average Interest Rate
Revolving Credit Facility - Premier EBGL	\$ 3,969	7.25%
Revolving Credit Facility - Austin ADT	1,205	9.25%
Revolving Credit Facility - NAB	1,385	7.36%
Total Short-term Revolving Credit Facilities	6,559	7.64%
Austin - ADT Term Loan	160	9.25%
Term Loan Secured by Mortgage	354	7.50%
Bridgewater - TT Term Loan	1,400	7.85%
Total Short-term Debt	8,473	7.70%
Austin - ADT Term Loan, net of current portion	359	9.25%
Term Loan Secured by Mortgage, net of current portion	2,320	7.50%
Bridgewater - TT Term Loan, net of current portion	3,377	7.85%
Long Term Debt, net of current portion	6,056	7.80%
Total Debt	\$ 14,529	7.74%

Austin Loan Agreement

On March 3, 2025, ADT entered into a Loan and Security Agreement (the “Austin Loan Agreement”) with Austin Financial Services, Inc. (“Austin” or “AFS”) providing ADT with a working capital line of credit of up to \$3,000 and a term loan originally proposed of up to \$800, subject to the conditions and procedures set forth in the Austin Loan Agreement. Availability under the Austin Loan Agreement is based on a formula tied to ADT’s eligible accounts receivable, inventory, and equipment, and borrowings bear interest at the prime rate plus 1.75%, with interest payable monthly and the outstanding principal balance payable March 3, 2028 (the “Maturity Date”). Based on AFS’s appraisal of ADT’s machinery and equipment, AFS reduced the term loan commitment to \$638. The Austin Loan Agreement also provides for certain fees payable to Austin during its term. The term loan payment is approximately \$13 per month. The loan is secured by substantially all of the assets of ADT and is subject to certain covenants. Under the terms of the AFS loan agreement, ADT is required to provide various financial and collateral reports to the lender on a regular basis. These reports include weekly availability and cash activity summaries, monthly accounts receivable and accounts payable aging, inventory reports, balance sheets, and income statements, as well as annual financial statements reviewed by an independent CPA, if requested. ADT must also provide any additional financial or operational information upon the lender’s request.

There are no specific financial covenants related to ratios, thresholds, or performance metrics under the AFS facility. However, failure to timely submit the required financial reports constitutes an event of default under the loan agreement.

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Premier Facility

On August 16, 2023, EdgeBuilder and Glenbrook (referred to herein as the “EBGL Borrowers”), entered into a Revolving Credit Loan Agreement with Premier Bank (“Premier”), which was subsequently amended on December 5, 2023 to provide the EBGL Borrowers with a working capital line of credit of up to \$6,000 (the “Premier Loan Agreement”). Availability under the Premier Loan Agreement is based on a formula tied to the EBGL Borrowers’ eligible accounts receivable, inventory, and equipment. Borrowings under the Premier Loan Agreement bear interest at the Wall Street Journal Prime rate plus 0.50% (and a minimum interest rate of 6.75%), with interest payable monthly and the outstanding principal balance payable upon expiration of the term of the Premier Loan Agreement. The Premier Loan Agreement also provides for certain fees payable to Premier during its term. The initial term of the Premier Loan Agreement expired on December 05, 2024 but may be extended from time to time at the request of the EBGL Borrowers, subject to approval by Premier. The term of the Premier Loan Agreement has been extended to December 05, 2026. The EBGL Borrowers’ obligations under the Premier Loan Agreement are guaranteed by the Company and secured by all of their inventory, equipment, accounts receivable, and other intangibles. As of December 31, 2025, availability under the Premier Loan Agreement was approximately \$1,813. Premier holds \$600 of the Company’s restricted cash associated with the Premier Facility.

Financial covenants associated with the Premier Loan Agreement require that the EBGL Borrowers annually maintain (a) a debt service coverage ratio for any calendar year of greater than 1.25; (b) a debt-to-equity ratio at the end of each calendar year less than 1.65; (c) a fixed charge coverage ratio at the end of each calendar year of greater than 1.10; (d) working capital of at least \$2 million; and (e) a current ratio of at least 1.50. As of December 31, 2025 the EBGL Borrowers were in compliance with all Premier Loan Agreement covenants except the debt-to-equity covenant, which was impacted by the August 22, 2025 Merger Agreement.

KeyBank Facility

On April 24, 2024, KBS entered into a Loan and Security Agreement (the “KeyBank Loan Agreement”) with KeyBank National Association (“KeyBank”) providing KBS with a working capital line of credit of up to \$4.0 million, subject to the conditions and procedures set forth in the KeyBank Loan Agreement. All borrowings under the KeyBank Loan Agreement bear interest at the Adjusted Daily SOFR Rate (as defined in the KeyBank Loan Agreement) plus 3%, with interest payable monthly and the outstanding principal balance payable on April 30, 2025 (the “Maturity Date”). The KeyBank Loan Agreement expires on the Maturity Date but may be extended from time to time at the request of KBS, subject to approval by KeyBank. SOC signed an extension on July 29, 2025 extending the Maturity Date to July 29, 2026. The KeyBank Loan Agreement also provides for certain fees payable to KeyBank. KBS’ obligations under the KeyBank Loan Agreement are guaranteed by SOC and secured by all of KBS’ inventory, equipment, accounts and other intangibles, if applicable, and all proceeds of the foregoing. Simultaneous with the execution of the KeyBank Loan Agreement, SOC entered into that certain Guaranty, dated April 24, 2024 (the “Guaranty”), pursuant to which SOC agreed to guarantee all amounts borrowed by KBS under the KeyBank Loan Agreement.

A financial covenant associated with KeyBank Loan Agreement requires that KBS maintains a ratio of its Operating Cash Flow to its Total Fixed Charges of at least 1.25 to 1.00 measured quarterly (the “FCCR Covenant”). As of December 31, 2025, KBS was in compliance with the FCCR covenant. The balance outstanding under the line was \$0 as of December 31, 2025.

Term Loan Secured by Mortgage

On June 28, 2024, in connection with SOC’s acquisition of substantially all of the assets used in the business of Timber Technologies, Inc. which closed on May 17, 2024, Timber Properties, LLC (“Timber Properties”), an affiliate of the Seller, sold to 106 Bremer, LLC, a wholly owned subsidiary of the Company (“106 Bremer”), all of Timber Properties’ Owned Real Property pursuant to a Real Estate Sales Agreement for \$3,000 plus closing costs.

In connection with the purchase of the Owned Real Property, on June 28, 2024, 106 Bremer issued a Promissory Note in the principal amount of \$3,000 (the “TT Property Note”) secured by a Mortgage (the “TT Property Mortgage”) on the Owned Real Property to Timber Properties. All borrowings under the TT Property Note bear interest at 7.50%, with interest payable quarterly and the outstanding principal balance payable on June 29, 2034.

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Bridgewater Facility

In connection with the completion of the TT Acquisition, on May 17, 2024, Timber Technologies Solutions, Inc., a wholly owned subsidiary of SOC, (the “Borrower”), entered into a Loan Agreement (the “Bridgewater Loan Agreement”) with Bridgewater Bank (“Bridgewater”) and issued a Term Promissory Note to Bridgewater in the amount of \$7,000 thereunder (the “Facility”). All borrowings under the Facility bear interest at 7.85%, with interest payable monthly and the outstanding principal balance payable on May 20, 2029 (the “Maturity Date”). The Bridgewater Loan Agreement also provides for certain fees payable to Bridgewater during its term. The Borrower’s obligations under the Facility are guaranteed by the Company and secured by all of the Borrower’s inventory, equipment, accounts receivable, and other intangibles.

In connection with the Bridgewater Loan agreement, an amount of \$1,000 was required to be deposited with Bridgewater and be under the sole dominion and control of Bridgewater, and SOC shall not have any control over the use of, or any right to withdraw any amount of the restricted deposit. In the event that SOC maintains compliance with all of the financial covenants set forth in the Bridgewater Loan Agreement for four consecutive measurement dates, Bridgewater shall release a portion of the deposit. As of December 31, 2025 Bridgewater released \$500. The remaining \$500 deposit is recorded in Restricted cash-non current in the Consolidated Balance Sheets.

Financial covenants require that TT maintain (i) a ratio of Cash Flow to Total Fixed Charges of not less than 1.30 to 1.00 as measured on each applicable Measurement Date on a trailing twelve (12) month basis; (ii) maintain a ratio of Senior Funded Debt to trailing twelve (12) month Adjusted EBITDA not to exceed 3.00 to 1.00 as measured on each applicable Measurement Date for a Measurement Period; (iii) maintain a ratio of Total Funded Debt to trailing twelve (12) month adjusted EBITDA not to exceed 4.00 to 1.00 as measured on each applicable Measurement Date for a Measurement Period. TT was in compliance with its covenants as of December 31, 2025.

Invoice Finance Credit Facility

On April 8, 2019, the Business Services segment’s Australian subsidiary (“Australian Borrower”) entered into an invoice finance credit facility agreement (the “NAB Facility Agreement”) with National Australia Bank Limited (“NAB”). The NAB Facility Agreement provides the Australian Borrower with the ability to borrow funds based on a percentage of eligible trade receivables up to a maximum of 4 million Australian dollars. No receivables have terms greater than 90 days, and any risk of loss is retained by the Australian Borrower. The interest rate is calculated as the variable receivable finance indicator rate, plus a margin of 1.60% per annum. Borrowings under this facility are secured by substantially all of the assets of the Australian Borrower. The NAB Facility Agreement does not have a stated maturity date and can be terminated by either the Australian Borrower or NAB upon 90 days written notice. As of December 31, 2025, there were no amounts outstanding under the NAB Facility Agreement. Interest expense and fees incurred on the NAB Facility Agreement were \$32 and \$17 for the years ended December 31, 2025 and 2024, respectively.

The NAB Facility Agreement contains various restrictions and covenants for the Australian Borrower including (1) that EBITDA must be at least two times total interest paid on debt on a 12-month rolling basis; (2) minimum tangible net worth must be at least 2.5 million Australian dollars and be equal to at least 25% of total tangible assets on June 30 and December 31 (as defined in the NAB Facility Agreement); and (3) additional periodic reporting requirements to NAB. The Australian Borrower was in compliance with all financial covenants under the NAB Facility Agreement as of December 31, 2025.

Amounts borrowed from the NAB Facility may be large, contain short maturities and have quick turnovers. Amounts borrowed and repaid are presented on a net basis on the Consolidated Statements of Cash Flows.

On May 25, 2022, Hudson Global Resources (Singapore) Pte. Ltd. (“Singapore Borrower”), which the Company acquired on October 31, 2023, and the Hong Kong and Shanghai Banking Corporation Limited (“HSBC”), entered into an invoice finance credit facility agreement (the “HSBC Facility Agreement”). The HSBC Facility Agreement allows the Singapore Borrower to borrow funds up to a maximum of 1 million Singapore dollars, based on a percentage of eligible trade receivables. All receivables have a term of no more than 60 days, and any risk of loss is borne by the Singapore Borrower. The interest rate is calculated as the bank’s external cost of capital, plus a margin of 3.5% per annum. The Company ended the HSBC Facility Agreement in May 2024. As a result, no interest expense or fees were incurred during the year ended

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December 31, 2025. Interest expense and fees incurred on the HSBC Facility Agreement were \$6 for the year ended December 31, 2024.

NOTE 10– GOODWILL AND INTANGIBLE ASSETS

Goodwill

For the years ended December 31, 2025 and 2024, the changes in carrying amount of goodwill were as follows:

	Carrying Value	
	2025	2024
Goodwill, January 1	\$ 5,703	\$ 5,749
Acquisition	242	—
Currency translation	(1)	(46)
Goodwill, December 31	<u>\$ 5,944</u>	<u>\$ 5,703</u>

On October 1, 2025, the Company applied ASC 350, and performed quantitative assessments to determine whether it was more likely than not that the fair value of its reporting units was less than their carrying values. To estimate the fair value of these reporting units, the Company used both an income approach and a market approach. The income approach required management to make significant estimates and judgments regarding future cash flows that were based on a number of factors including actual operating results, forecasted revenue and expenses, discount rate assumptions, and long-term growth rate assumptions. The market approach required the use of multiples based on financial metrics for both acquisitions and peer group companies. The Company did not recognize any impairment of goodwill related to these acquisitions. At the conclusion of its assessment, the Company determined the fair value of the reporting units exceeded their carrying values. As such, the Company determined that no impairment of goodwill had taken place as of December 31, 2025.

Intangible Assets

For the years ended December 31, 2025 and 2024, the Company's intangible assets consisted of the following components:

2025	Weighted Average Remaining Amortization Useful Lives (in years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Non-compete agreements	2.7	\$ 147	\$ (133)	\$ 14
Trade name	5.4	1,662	(933)	729
Customer lists	1.8	4,017	(3,072)	945
Developed technology	—	657	(657)	—
		<u>\$ 6,483</u>	<u>\$ (4,795)</u>	<u>\$ 1,688</u>

2024	Weighted Average Remaining Amortization Useful Lives (in years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Non-compete agreements	2.9	\$ 145	\$ (116)	\$ 29
Trade name	6.1	1,634	(731)	903
Customer lists	2.6	3,952	(2,399)	1,553
Developed technology	1.0	657	(651)	6
		<u>\$ 6,388</u>	<u>\$ (3,897)</u>	<u>\$ 2,491</u>

Amortization expense for the years ended December 31, 2025 and 2024 was \$901 and \$1,126, respectively. Intangible assets are amortized on a straight-line basis over their estimated useful lives. No impairment in the value of amortizable

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intangible assets was recognized during the years ended December 31, 2025 or 2024.

Estimated future amortization expense for intangible assets for the remainder of the fiscal year ending December 31, 2025, and for each of the next fiscal years are as follows:

2026	\$	680
2027		575
2028		131
2029		110
2030		110
Thereafter		82
	<u>\$</u>	<u>1,688</u>

The change in the book value of amortizable intangible assets is as follows:

	January 1, 2025 Beginning Balance	Acquisition	Amortization	Translation and Other	December 31, 2025 Ending Balance
Non-compete agreements	\$ 29	\$ 2	\$ (18)	\$ 1	\$ 14
Trade name	903	27	(203)	2	729
Customer lists	1,553	66	(674)	—	945
Developed technology	6	—	(6)	—	—
	<u>\$ 2,491</u>	<u>\$ 95</u>	<u>\$ (901)</u>	<u>\$ 3</u>	<u>\$ 1,688</u>

	January 1, 2024 Beginning Balance	Acquisition	Amortization	Translation and Other	December 31, 2024 Ending Balance
Non-compete agreements	\$ 49	\$ —	\$ (18)	\$ (2)	\$ 29
Trade name	1,123	—	(216)	(4)	903
Customer lists	2,267	—	(709)	(5)	1,553
Developed technology	189	—	(183)	—	6
	<u>\$ 3,628</u>	<u>\$ —</u>	<u>\$ (1,126)</u>	<u>\$ (11)</u>	<u>\$ 2,491</u>

NOTE 11 – LEASES

Lessee

We have operating and finance leases for corporate offices, vehicles, and certain equipment. Our leases have remaining lease terms of 1 year to 20 years. Some of the leases include options to extend the leases and some include options to terminate the lease within 1 year. Operating leases and finance leases are included separately in the Consolidated Balance Sheets.

The components of lease expense are as follows:

	Year Ended December 31,	
	2025	2024
Operating lease cost	<u>\$ 1,531</u>	<u>\$ 1,303</u>
Finance lease cost:		
Amortization of finance lease assets	\$ 19	\$ —
Total finance lease cost	<u>\$ 19</u>	<u>\$ —</u>

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Supplemental cash flow information related to leases was as follows:

	Year Ended December 31,	
	2025	2024
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 1,144	\$ 809
Financing cash flows from finance leases	\$ 8	N/A
Right-of-use assets obtained in exchange for lease obligations		
Operating leases	\$ 3,112	\$ 416

Supplemental balance sheet information related to leases was as follows:

	December 31, 2025	December 31, 2024
Weighted average remaining lease term (in years)		
Operating leases	13.8	2.5
Finance leases	0.9	N/A
Weighted average discount rate		
Operating leases	12.80 %	8.50 %
Finance leases	5.76 %	N/A

We are committed to making future cash payments on non-cancelable operating leases and finance leases (including interest). The future minimum lease payments due under both non-cancelable operating leases and finance leases having initial or remaining lease terms in excess of one year as of December 31, 2025 were as follows:

	Operating Leases	Finance Leases
2026	\$ 2,041	\$ 16
2027	2,058	2
2028	1,797	—
2029	1,799	—
2030 and thereafter	20,296	—
Total future minimum lease payments	27,991	18
Less amounts representing interest	(16,118)	(1)
Present value of lease obligations	\$ 11,873	\$ 17

NOTE 12 – FAIR VALUE MEASUREMENTS

The Financial Accounting Standards Board's authoritative guidance for fair value measurements establishes a three-level hierarchy based upon the inputs to the valuation model of an asset or liability. Assets and liabilities presented at fair value in our Consolidated Balance Sheets are generally categorized as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Such assets and liabilities may have values determined using pricing models, discounted cash flow methodologies, or similar techniques, and include instruments for which the determination of fair value requires significant management judgment or estimation.

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Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment, which may affect the valuation of assets and liabilities and their placement within the fair value hierarchy levels. The following table sets forth by level within the fair value hierarchy our assets and liabilities that were recorded at fair value as of December 31, 2025:

Assets and Liabilities Measured at Fair Value on a Recurring Basis

	Fair Value as of December 31, 2025			Total
	Level 1	Level 2	Level 3	
Assets (Liabilities):				
Equity securities	\$ 3,767	\$ —	\$ —	\$ 3,767
Total	\$ 3,767	\$ —	\$ —	\$ 3,767

The table below presents a reconciliation for Level 3 liabilities for the period ended December 31, 2025. The Level 3 liabilities consist of an earnout liability associated with SOC's acquisition of Big Lake Lumber ("BLL") in 2023. The change in the Level 3 liability during the period was primarily due to payments made on accruals. These changes are included in "Purchases, issuances, and settlements (net)" in the Level 3 rollforward below.

	2025
Acquisition value at August 22, 2025	\$ 201
Net reductions (payments)	(201)
Balance as at December 31, 2025	\$ —

Assets and Liabilities Measured at Fair Value on a Non-recurring Basis

Certain assets acquired and liabilities assumed in connection with the SOC acquisition were measured at fair value on a nonrecurring basis as of the acquisition date.

Additional information regarding the valuation methodologies and assumptions used in determining these fair values is included in Note 5 – Acquisitions, which presents the allocation of purchase consideration and related fair value measurements required under ASC 805, Business Combinations.

No other assets or liabilities were measured at fair value on a nonrecurring basis during the period

Equity Securities

The investment in equity securities consists of common stock of publicly traded companies. The fair value of these securities is based on the closing prices observed on December 31, 2025, and is recorded in "Investments in equity securities" in the Consolidated Balance Sheet.

Gains and losses from investments in equity securities are recorded in other income (expense) in the Consolidated Statements of Operations and included the following for the period ended December 31, 2025.

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	Year Ended December 31, 2025	
Unrealized loss on equity securities	\$	(390)
Unrealized gain on equity securities		241
Realized gain on equity securities		11
Total loss on equity securities	\$	(138)

Lumber Derivative Contracts

We may enter into lumber derivative contracts in order to protect our gross profit margins from fluctuations caused by lumber price volatility. Such contracts, which are generally entered into to protect the gross margins on our wall panel contracts at EdgeBuilder and Glenbrook Building Supply, Inc. (“Glenbrook” and referred to jointly with EdgeBuilder as “EBGL”), are recorded within current assets or liabilities in the Consolidated Balance Sheets. As of December 31, 2025, we did not have any lumber derivatives contracts open.

Gains and losses from lumber derivative contracts are recorded in the cost of revenues in the Consolidated Statements of Operations and included the following for the period ended December 31, 2025:

	Year Ended December 31, 2025	
Realized loss on lumber derivatives	\$	(68)
Total loss on lumber derivatives	\$	(68)

NOTE 13 – NET LOSS ATTRIBUTABLE TO COMMON SHAREHOLDERS

A reconciliation of the numerators and denominators of the basic and diluted loss per share calculations were as follows:

	For The Year Ended December 31,	
	2025	2024
Loss per share attributable to common shareholders (“EPS”):		
Basic	\$ (2.08)	\$ (1.59)
Diluted	\$ (2.08)	\$ (1.59)
EPS numerator - basic and diluted:		
Net loss attributable to common shareholders	\$ (6,657)	\$ (4,770)
EPS denominator (in thousands):		
Weighted average common stock outstanding - basic	3,198	3,000
Common stock equivalents: stock options and restricted stock units	(a) —	(a) —
Weighted average number of common stock outstanding - diluted	3,198	3,000

(a) The diluted weighted average number of shares of common stock outstanding did not differ from the basic weighted average number of shares of common stock outstanding because the effects of any potential common stock equivalents (see Note 7 to the Consolidated Financial Statements for further details on unvested restricted stock units) were anti-dilutive and therefore not included in the calculation of the denominator of dilutive earnings per share.

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NOTE 14 – STOCKHOLDERS' EQUITY**Common Stock**

On August 8, 2023, the Company's Board of Directors authorized a share repurchase program for up to \$5,000 of the Company's outstanding common stock. The Company continues to view share repurchases as an attractive use of capital and may repurchase shares from time to time, as market conditions warrant, through open market purchases, privately negotiated transactions, block trades, or other methods, in accordance with applicable federal securities laws, including Rule 10b-18 of the Securities Exchange Act of 1934 (the "Exchange Act"). This authorization does not expire.

During the year ended December 31, 2025, the Company completed its \$5,000 share repurchase program authorized on August 8, 2023. On September 10, 2025, the Board of Directors authorized a new common stock repurchase program under which the Company may repurchase up to \$3,000 of its outstanding common stock. During the year ended December 31, 2025, the Company repurchased a total of 280,886 shares of its common stock for an aggregate cost of \$2,638 under these authorizations. Of this total, 261,052 shares were repurchased on September 25, 2025, in connection with a transaction with a certain shareholder totaling \$2,441, and the remaining 19,834 shares were repurchased on the open market for a cost of \$197. As of December 31, 2025, under the July 30, 2015, August 8, 2023 and September 10, 2025 authorizations combined, the Company had repurchased an aggregate of 948,382 shares for a total cost of \$15,520, completing the August 8, 2023 authorization and leaving \$2,481 available for purchase under the September 10, 2025 authorization. During the year ended December 31, 2024 the Company repurchased a total of 154,084 shares of its common stock for a cost of \$2,495 under this authorization. Of these shares, 44,250 shares were repurchased on January 29, 2024 in connection with a transaction with a certain shareholder totaling \$655 that excludes tax withholdings. The Company also repurchased 69,567 shares during the second quarter in connection with transactions with certain shareholders totaling \$1,181, as well as 40,267 shares of its common stock on the open market for a cost of \$659.

The Company cannot predict when or if it will repurchase any shares of common stock as such stock repurchase program will depend on a number of factors, including constraints specified in any Rule 10b5-1 trading plans, price, general business and market conditions, and alternative investment opportunities. Information regarding share repurchases will be available in the Company's periodic reports on Form 10-Q and 10-K filed with the Securities and Exchange Commission as required by the applicable rules of the Exchange Act.

Warrants

As a result of the Merger, outstanding warrants of SOC were converted to rights to receive common shares of the Company, in accordance with Section 3(d) of the Form of 2022 SOC Warrant Certificate. As of December 31, 2025, there were 10.9 million warrants outstanding, none of which are prefunded, which represents 0.5 million shares of common stock equivalents, at an exercise price of \$32.61. For every 1 warrant, 0.046 of a common share shall be issued. These warrants will expire in January 2027.

As of December 31, 2025, there were 10,925,000 warrants outstanding, which represents 502,550 shares of common stock equivalents.

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NOTE 15 – PERPETUAL PREFERRED STOCK

Upon the Effective Time of the Merger, pursuant to the terms of the Merger Agreement, we issued 2,690,637 shares of our Series A Preferred Stock. Holders of shares of our Series A Preferred Stock are entitled to receive, when, as, and if, authorized by the Company's board of directors (or a duly authorized committee of the Company's board of directors) and declared by the Company out of funds legally available for the payment of dividends, preferential cumulative cash dividends at the rate of 10% per annum of the liquidation preference of \$10 per share. Dividends are payable quarterly, in arrears, by the last calendar day of March, June, September and December to holders of record at the close of business on the first day of each payment month. The Series A Preferred Stock is not convertible and does not have any voting rights, except when dividends are in arrears for 6 or more consecutive quarters, then the holders of those shares together with holders of all other series of preferred stock equal in rank would be entitled to vote separately as a class for the election of 2 additional directors to board of directors, until all dividends accumulated on such shares of Series A Preferred Stock for the past dividend periods and the dividend for the current dividend period shall have been fully paid or declared and a sum sufficient for the payment thereof set apart for payment. The Series A Preferred Stock is not subject to redemption by the Company.

On August 22, 2025, we announced that our board of directors declared a cash dividend to holders of our Series A Preferred Stock of \$0.025 per share for an aggregate amount of approximately \$67. The record date for this dividend was September 1, 2025, and the payment date was September 10, 2025. On November 14, 2025, we announced that our board of directors declared a cash dividend to holders of our Series A Preferred Stock of \$0.25 per share for an aggregate amount of approximately \$673. The record date for this dividend was December 1, 2025, and the payment date was December 10, 2025. As of December 31, 2025, we are current on our preferred dividend payments.

On February 13, 2026, Star announced that its Board of Directors declared a cash dividend to holders of the Company's Preferred Stock of \$0.25 per share, which represents a subsequent event occurring after the balance sheet date and is not reflected as a liability as of December 31, 2025. The record date for this dividend is March 1, 2026, and the payment date is March 10, 2026.

NOTE 16 – STOCKHOLDER RIGHTS PLAN

On October 15, 2018, the Company's Board of Directors declared a dividend to the Company's stockholders of record as of the close of business on October 25, 2018 (the "Record Date"), for each outstanding share of the Company's common stock, of one right (a "Right") to purchase one one-hundredth of a share of a new series of participating preferred stock of the Company. The terms of the Rights are set forth in the Rights Agreement, dated as of October 15, 2018 (as amended, the "Rights Agreement"), by and between the Company and Computershare Trust Company, N.A., as rights agent (the "Rights Agent"). The Company's stockholders approved the Rights Agreement at the Company's 2019 Annual Meeting of Stockholders held on May 6, 2019. On September 28, 2021, the Company and the Rights Agent entered into a First Amendment to Rights Agreement (the "Amendment") that amended the Rights Agreement to extend its term through October 15, 2024. The amendment was approved by the Board on September 28, 2021, subject to stockholder approval, and the Company's stockholders approved the Amendment at the Company's 2022 Annual Meeting of Stockholders held on May 17, 2022. The Board of Directors has taken further action to amend the Original Rights Agreement, as amended by the First Amendment, to extend the expiration of the Rights Agreement to October 15, 2027, as contemplated in the Second Amendment to Rights Agreement (the "Second Amendment"). The Second Amendment was approved by the Board on June 13, 2024, subject to stockholder approval, and the Company's stockholders approved the Amendment at the Company's 2024 Annual Meeting of Stockholders held on July 31, 2024.

Each Right allows its holder to purchase from the Company one one-hundredth of a share of the Company's Series B Junior Participating Preferred Stock ("Series B Preferred Stock") for a purchase price of \$3.50. Each fractional share of Series B Preferred Stock would give the stockholder approximately the same dividend, voting and liquidation rights as does one share of common stock. Prior to exercise, however, a Right does not give its holder any dividend, voting or liquidation rights.

The Board entered into the Rights Agreement in an effort to preserve the value of the Company's significant U.S. NOLs and other tax benefits. The Company's ability to utilize its NOLs may be substantially limited if the Company experiences an "ownership change" within the meaning of Section 382 of the Internal Revenue Code of 1986, as amended (the "Code"). In general, an "ownership change" would occur if the percentage of the Company's ownership by one or more "5-percent shareholders" (as defined in the Code) increases by more than 50 percent over the lowest percentage owned by such

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stockholders at any time during the prior three years. The Rights Agreement is designed to preserve the Company's tax benefits by deterring transfers of common stock that could result in an "ownership change" under Section 382 of the Code.

In general terms, the Rights Agreement imposes a significant penalty upon any person or group that acquires beneficial ownership (as defined under the Rights Agreement) of 4.99% or more of the outstanding common stock without the prior approval of the Board (an "Acquiring Person"). Any Rights held by an Acquiring Person are void and may not be exercised.

The Rights will not be exercisable until the earlier of (i) 10 days after a public announcement by the Company that a person or group has become an Acquiring Person; and (ii) 10 business days (or a later date determined by the Board) after a person or group begins a tender or an exchange offer that, if completed, would result in that person or group becoming an Acquiring Person.

Until the date that the Rights become exercisable (the "Distribution Date"), common stock certificates will also evidence the Rights and will contain a notation to that effect. Any transfer of shares of common stock prior to the Distribution Date will constitute a transfer of the associated Rights. After the Distribution Date, the Rights will separate from the common stock and be evidenced by Right certificates, which the Company will mail to all holders of Rights that have not become void. After the Distribution Date, if a person or group already is or becomes an Acquiring Person, all holders of Rights, except the Acquiring Person, may exercise their Rights upon payment of the purchase price to purchase shares of common stock (or other securities or assets as determined by the Board) with a market value of two times the purchase price (a "Flip-in Event"). After the Distribution Date, if a Flip-in Event has already occurred and the Company is acquired in a merger or similar transaction, all holders of Rights, except the Acquiring Person, may exercise their Rights upon payment of the purchase price, to purchase shares of the acquiring or other appropriate entity with a market value of two times the purchase price of the Rights. Rights may be exercised to purchase Series B Preferred Stock only after the Distribution Date occurs and prior to the occurrence of a Flip-in Event as described above. A Distribution Date resulting from the commencement of a tender offer or an exchange offer as described in the second bullet point above could precede the occurrence of a Flip-in Event, in which case the Rights could be exercised to purchase Series B Preferred Stock. A Distribution Date resulting from any occurrence described in the first bullet point above would necessarily follow the occurrence of a Flip-in Event, in which case the Rights could be exercised to purchase shares of common stock (or other securities or assets) as described above.

The Rights will expire on the earliest of (i) the close of business on October 15, 2027, or such earlier date as of which the Board determines that this Agreement is no longer necessary for the preservation of Tax Benefits, (ii) the time at which the Rights are redeemed as provided in Section 23, (iii) the time at which all exercisable Rights are exchanged as provided in Section 24, (iv) the close of business on the effective date of the repeal of Section 382 of the Code or any successor or replacement provision if the Board determines that this Agreement is no longer necessary for the preservation of Tax Benefits, and (v) the close of business on the first day of a taxable year of the Company to which the Board determines that no Tax Benefits may be carried forward.

The Board may redeem all (but not less than all) of the Rights for a redemption price of \$0.001 per Right at any time before the later of the Distribution Date and the date of the first public announcement or disclosure by the Company that a person or group has become an Acquiring Person. Once the Rights are redeemed, the right to exercise the Rights will terminate, and the only right of the holders of such Rights will be to receive the redemption price.

The Board may adjust the purchase price of the Series B Preferred Stock, the number of shares of Series B Preferred Stock issuable and the number of outstanding Rights to prevent dilution that may occur as a result of certain events, including, among others, a stock dividend, a stock split or a reclassification of the Series B Preferred Stock or common stock.

Before the time the Rights cease to be redeemable, the Board may amend or supplement the Rights Agreement without the consent of the holders of the Rights, except that no amendment may decrease the redemption price below \$0.001 per Right.

The Company also has a provision in its Amended and Restated Certificate of Incorporation which generally prohibits transfers of its common stock that could result in an ownership change.

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NOTE 17 – SEGMENT AND GEOGRAPHIC DATA

Segment Reporting

Corporate expenses are reported separately for the four reportable segments and pertain to certain functions, such as executive management, corporate governance, investor relations, legal, accounting, tax, and treasury. A portion of these expenses are attributed to the reportable segments for providing the above services to them, and have been allocated to the segments as management service expenses, and are included in the segments' non-operating other income (expense). We have disclosed for each reportable segment the significant expense that is reviewed by CODM in the tables below with no additional significant expenses beyond those presented. Segment information is presented in accordance with ASC 280, "Segment Reporting." This standard is based on a management approach that requires segmentation based upon the Company's internal organization and disclosure of revenue and certain expenses based upon internal accounting methods. The Company's financial reporting systems present various data for management to run the business, including internal profit and loss statements prepared on a basis not consistent with U.S. GAAP. Accounts receivable and long-lived assets are the only significant assets separated by segment for internal reporting purposes.

Our reportable segments are based upon our internal organizational structure, the manner in which our operations are managed, the criteria used by our Chief Executive Officer, who is our Chief Operating Decision Maker ("CODM"), to evaluate segment performance, the availability of separate financial information, and overall materiality considerations. Effective as of the acquisition of SOC on August 21, 2025, our businesses are organized into the following four reportable segments, reflecting the manner in which our CODM assesses performance and allocates resources:

1. Building Solutions
2. Business Services
3. Energy Services
4. Investments

Our reporting segments have been determined based on the nature of the products and services offered to customers or the nature of their function in the organization. We evaluate performance based on gross profit and operating income (loss). The Company also evaluates the performance of its reportable segments using a Non-GAAP EBITDA metric, which is defined as earnings before interest, income taxes, depreciation, and amortization. In addition, certain corporate-related costs are not allocated to the segments. Our operating costs included in our shared service functions primarily consist of senior executive officers, finance, human resources, legal, and information technology. Star Equity shared service corporate costs have been separated from the reportable segments. Prior period amounts have been reclassified to conform to current year presentation.

Segment information for the year ended December 31, 2025 and 2024, respectively, is as follows:

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	Building Solutions	Business Services	Energy Services	Investments	Corporate and Intersegment Eliminations	Total
For the Year Ended December 31, 2025						
Revenues	\$ 27,578	\$ 139,652	\$ 4,929	\$ 212	\$ (212)	\$ 172,159
Cost of revenues	21,303	67,879	3,001	107	—	92,290
Gross profit ^(a)	6,275	71,773	1,928	105	(212)	79,869
Salaries and related	(2,494)	(57,995)	(879)	—	(2,177)	(63,545)
Office and general	(1,592)	(6,917)	(579)	(119)	(5,636)	(14,843)
Marketing and promotion	(26)	(3,905)	(13)	—	(13)	(3,957)
Operating expenses depreciation and amortization	(135)	(1,028)	(27)	—	(22)	(1,212)
Operating income (loss)	<u>\$ 2,028</u>	<u>\$ 1,928</u>	<u>\$ 430</u>	<u>\$ (14)</u>	<u>\$ (8,060)</u>	<u>\$ (3,688)</u>
EBITDA (loss), unaudited ^(b)	\$ 2,439	\$ 1,385	\$ 1,016	\$ (16)	\$ (6,862)	\$ (2,038)
Total depreciation and amortization	(361)	(1,028)	(560)	(107)	(22)	(2,078)
Interest income (expense), net	(212)	(510)	(99)	283	798	260
Provision for income tax	—	(1,999)	—	—	(62)	(2,061)
Net income (loss)	<u>\$ 1,866</u>	<u>\$ (2,152)</u>	<u>\$ 357</u>	<u>\$ 160</u>	<u>\$ (6,148)</u>	<u>\$ (5,917)</u>

As of December 31, 2025						
Accounts receivable, net	\$ 8,671	\$ 22,398	\$ 4,045	\$ —	\$ 106	\$ 35,220
Long-lived assets, net of accumulated depreciation and amortization ^(c)	\$ 4,320	\$ 7,934	\$ 7,235	\$ 6,586	\$ 167	\$ 26,242
Total assets	<u>\$ 34,105</u>	<u>\$ 43,418</u>	<u>\$ 12,526</u>	<u>\$ 21,689</u>	<u>\$ 1,493</u>	<u>\$ 113,231</u>

	Business Services	Corporate and Intersegment Eliminations	Total
For the Year Ended December 31, 2024			
Revenues	\$ 140,056	\$ —	\$ 140,056
Cost of revenues	69,904	—	69,904
Gross profit ^(a)	70,152	—	70,152
Salaries and related	(56,943)	(1,366)	(58,309)
Office and general	(7,295)	(3,408)	(10,703)
Marketing and promotion	(3,584)	(4)	(3,588)
Operating expenses depreciation and amortization	(1,350)	(11)	(1,361)
Operating income (loss)	<u>\$ 980</u>	<u>\$ (4,789)</u>	<u>\$ (3,809)</u>
EBITDA (loss) ^(b)	\$ 1,119	\$ (3,588)	\$ (2,469)
Total depreciation and amortization	(1,350)	(11)	(1,361)
Interest income (expense), net	(520)	880	360
Provision for incomes taxes	(1,242)	(58)	(1,300)
Net loss	<u>\$ (1,993)</u>	<u>\$ (2,777)</u>	<u>\$ (4,770)</u>

As of December 31, 2024			
Accounts receivable, net	\$ 20,093	\$ —	\$ 20,093
Long-lived assets, net of accumulated depreciation and amortization ^(c)	\$ 8,410	\$ 26	\$ 8,436
Total assets	<u>\$ 45,273</u>	<u>\$ 7,310</u>	<u>\$ 52,583</u>

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- (a) Gross profit in the Business Services segment includes the direct staffing costs of salaries, payroll taxes, employee benefits, travel expenses, and insurance costs for the Company's contractors and reimbursed out-of-pocket expenses and other direct costs. The region where services are provided, the mix of RPO and contracting, and the functional nature of the staffing services provided can affect operating income and EBITDA. The salaries, commissions, payroll taxes, and employee benefits related to recruitment professionals are included under the caption "Salaries and related" in the Consolidated Statements of Operations.
- (b) SEC Regulation S-K Item 229.10(e)1(ii)(A) defines EBITDA as earnings before interest, taxes, depreciation and amortization. EBITDA is presented to provide additional information to investors about the Company's operations on a basis consistent with the measures that the Company uses to manage its operations and evaluate its performance. Management also uses this measurement to evaluate working capital requirements. EBITDA should not be considered in isolation or as a substitute for operating income and net income prepared in accordance with U.S. GAAP or as a measure of the Company's profitability.
- (c) Comprised of property and equipment, intangible assets and goodwill, net of accumulated depreciation and amortization.

Geographic Data Reporting

A summary of revenues for the year ended December 31, 2025 and 2024 and net assets by geographic area as of December 31, 2025 and 2024, were as follows:

	Australia	United States	United Kingdom	Other	Total
For the Year Ended December 31, 2025					
Revenue ^(a)	\$ 68,839	\$ 60,504	\$ 21,100	\$ 21,716	\$ 172,159
For the Year Ended December 31, 2024					
Revenue ^(a)	\$ 70,674	\$ 26,577	\$ 22,900	\$ 19,905	\$ 140,056
As of December 31, 2025					
Long-lived assets, net of accumulated depreciation and amortization ^(b)	\$ 32	\$ 24,160	\$ 35	\$ 2,015	\$ 26,242
Net assets	\$ 3,855	\$ 47,524	\$ 1,475	\$ 12,853	\$ 65,707
As of December 31, 2024					
Long-lived assets, net of accumulated depreciation and amortization ^(b)	\$ 20	\$ 6,667	\$ 16	\$ 1,733	\$ 8,436
Net assets	\$ 7,788	\$ 17,066	\$ 3,076	\$ 12,498	\$ 40,428

(a) Revenue by geographic region disclosed above is net of any inter-segment revenue and, therefore, represents only revenue from external customers according to the location of the operating subsidiary.

(b) Comprised of property and equipment, intangible assets and goodwill, net of accumulated depreciation and amortization.

NOTE 18 – SUPPLEMENTARY BALANCE SHEET INFORMATION

Inventories

The components of inventories are as follows:

	December 31, 2025
Raw materials	\$ 4,122
Work-in-process	536
Finished goods	2,330
Total inventories, net	\$ 6,988

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ADT's inventory, amounting to \$1,129 as of December 31, 2025, consists of component equipment, parts and supplies which are classified as raw materials using the weighted average cost method.

Property and Equipment

Property and equipment consists of the following:

	December 31, 2025	
	\$	
Land		1,134
Buildings and leasehold improvements		9,070
Transportation		2,023
Machinery and equipment		12,750
Gross property and equipment		24,977
Accumulated depreciation		(6,367)
Total property and equipment, net	\$	18,610

Depreciation expense for the year ended December 31, 2025 was \$1,177 and \$232 for the year ended December 31, 2024.

As of December 31, 2025, we held non-operating land and a building in Oxford, Maine for investment and potential future use which had a carrying value of \$1,781 and was included within property and equipment on the Consolidated Balance Sheets.

Included in machinery and equipment in the above table is rental equipment with a net book value of approximately \$4,909 as of December 31, 2025, related to our Energy Services segment.

Warranty Reserves

Within our Building Solutions segment, KBS provides a limited assurance warranty on its residential homes that covers substantial defects in materials or workmanship for a period of 12 months after delivery to the owner. EdgeBuilder provides a limited warranty on the sale of its wood foundation products that covers leaks resulting from defects in workmanship for a period of twenty-five years. TT provides a fifty-year limited warranty to the original buyer of its products, qualified by the original buyer's obligation to ensure that the products are properly handled, stored, and installed. Historical losses related to the Timber Technologies warranty have been insignificant and therefore no reserve has been established. Estimated future warranty costs are accrued and charged to cost of goods sold in the period that the related revenue is recognized. Within our Energy Services segment, we do not provide warranties on our products.

Notes Receivable

Notes receivable consists of the following principal and interest balances as of December 31, 2025:

	December 31, 2025	
	Principal and interest	
	\$	
Catalyst Note		8,257
MDOS Note		596
KBS Customer Note		32
Total note receivable		8,885
Less current portion		256
Note receivable, net of current portion	\$	8,629

As a part of the sale of Digirad Health in May 2023, SOC entered into a \$7,000 promissory note (the "Catalyst Note") which represents an unsecured note receivable on our balance sheet. The note has a maturity date of May 3, 2029 with payment-in-kind (non-cash) interest on the outstanding principal balance hereof to accrue at the Interest Rate. The full balance is scheduled to be paid at the maturity date. The Interest Rate is defined as (i) during the period from the date of issuance of the note through the third anniversary of the date of issuance of the note, a per annum rate equal to the sum of (x) 5.0% per annum plus (y) the greater of 5.0% per annum and the weighted average term SOFR-based interest rate of outstanding loans under the

STAR EQUITY HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share amounts)

Senior Loan Agreement (as defined in the Purchase Agreement) during such period, and (ii) during the period following the third anniversary of the date of issuance of the note, a per annum rate equal to the sum of (x) 5.0% per annum plus (y) the greater of 7.0% per annum and the weighted average term SOFR-based interest rate of outstanding loans under the Senior Loan Agreement during such period. The Catalyst Note was adjusted to its fair value as part of the Company's acquisition of SOC.

In 2021, SOC completed the sale of MD Office Solutions in exchange for a secured promissory note (the "MDOS Note"). This note, the principal of which is approximately \$596 at December 31, 2025, is included in "Notes receivable, current portion" and "Notes receivable" in our Consolidated Balance Sheet at December 31, 2025 for \$223 and \$373, respectively. The MDOS Note requires quarterly installments of \$74 and incurs interest at a fixed rate of 5% through maturity in 2028.

In 2023, KBS issued a promissory note to a customer, incurring 12% interest per annum (the "KBS Customer Note"). The KBS Customer Note is included in "Notes receivable, current portion" in the Consolidated Balance Sheets at December 31, 2025.

The Company evaluates its notes receivable portfolio under the Current Expected Credit Loss ("CECL") model.

Long Term Investments

Below are the components of our Long Term Investments as of December 31, 2025:

	Method of Accounting	December 31, 2025
Investment in Catalyst	Cost Method	\$ 953
Total		\$ 953

Investment in Catalyst

As a part of the sale of Digirad Health, SOC received common equity of Catalyst Parent, which is held in our Investments segment at a fair value of \$953 at December 31, 2025. We have elected the measurement alternative under ASC 321, *Investments-Equity Securities*. The measurement alternative election allows for equity securities that do not have readily determinable fair values to be recorded at cost, with adjustments for impairment and certain observable price changes reflected in earnings. Such securities are adjusted to fair value when an observable price change occurs or impairment is identified.

Investment in Enservco

On August 9, 2024, SOC entered into an investment in Enservco pursuant to a Share Exchange Agreement in which SOC agreed to issue to Enservco 250,000 shares of 10% Series A Cumulative Perpetual Preferred Stock representing \$2,600 of value in exchange for 9,023,035 Enservco Common Shares, representing 19.9% of the equity interests of Enservco, and 3.5 million Enservco Preferred Shares and certain options included in the Share Exchange Agreement. We also issued a \$1,000 note to Enservco to facilitate Enservco's acquisition of Buckshot Trucking, LLC. The investment in Enservco had a value of zero at December 31, 2025.

Accrued Expenses and Other Liabilities

As of December 31, 2025 and 2024, the Company's accrued expenses and other current liabilities consisted of the following:

	December 31,	
	2025	2024
Sales, use, payroll taxes and income taxes	\$ 2,927	\$ 2,596
Fees for professional services	1,931	882
Other accruals	2,049	897
Total accrued expenses and other current liabilities	\$ 6,907	\$ 4,375

STAR EQUITY HOLDINGS , INC.
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NOTE 19 – CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

A summary of the Company’s restricted cash included in the accompanying Consolidated Balance Sheets as of December 31, 2025 and 2024 was as follows:

	As of December 31,	
	2025	2024
Cash and cash equivalents	\$ 10,269	\$ 17,011
Restricted cash, current	1,819	476
Restricted cash, non-current	1,322	180
Total cash, cash equivalents, and restricted cash	<u>\$ 13,410</u>	<u>\$ 17,667</u>

Restricted cash primarily includes lease and collateral deposits, as well as bank guarantees for licensing.

NOTE 20 – COMMITMENTS AND CONTINGENCIES

Litigation and Complaints

The Company is subject, from time to time, to various claims, lawsuits, contract disputes, and other proceedings arising in the ordinary course of business. These matters may include claims by clients, candidates, suppliers, landlords, current or former employees, and governmental or tax authorities, and may relate to regulatory compliance, employment practices (including wage and hour matters), customer or commercial disputes, product or professional liability, licensure issues, warranty matters, or intellectual property.

The Company monitors all such matters and records reserves for legal, regulatory, and other contingent liabilities when a loss is considered probable and the amount can be reasonably estimated. The Company had \$0.2 million and \$0.0 million of legal reserves as of December 31, 2025 and 2024, respectively.

Litigation and administrative proceedings are inherently uncertain, and the ultimate outcome or potential range of loss may be difficult to predict. These uncertainties may involve, among other factors, the interpretation of laws and facts by courts, the outcome of negotiations or appeals, and the performance of contractual indemnification or insurance obligations. While responding to such matters may be costly and disruptive, management currently believes that the resolution of pending or threatened proceedings will not have a material adverse effect on the Company’s financial condition, results of operations, or liquidity. However, actual outcomes could differ from current estimates due to known and unknown risks and uncertainties.

NOTE 21 – ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive loss, net of tax, consisted of the following:

	December 31,	
	2025	2024
Foreign currency translation adjustments	\$ (1,364)	\$ (2,717)
Accumulated other comprehensive loss	<u>\$ (1,364)</u>	<u>\$ (2,717)</u>

STAR EQUITY HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share amounts)

NOTE 22 – VALUATION RESERVES

The following table summarizes the activity in our valuation accounts during the fiscal years ended December 31, 2025 and 2024.

(in thousands)	Balance at Beginning of Period	Charged to Costs and Expenses	Deductions and Other	Balance at End of Period
Year Ended December 31, 2025				
Allowance for Expected Credit Losses	\$ 391	\$ 103	\$ (219)	\$ 275
Deferred tax assets-valuation allowance	\$ 73,491	\$ 463	\$ (6,417)	\$ 67,537
Year Ended December 31, 2024				
Allowance for Expected Credit Losses	\$ 378	\$ 24	\$ (11)	\$ 391
Deferred tax assets-valuation allowance	\$ 183,453	\$ 456	\$ (110,418)	\$ 73,491

NOTE 23 – SUBSEQUENT EVENTS

On February 27, 2026, the Company completed a sale-leaseback transaction for its facility located at 101–107 Pasture Drive, Evanston, Wyoming (the “ADT Wyoming Property”). The property was sold to Custom Capital Strategies, Inc. (“Custom Capital”) for net cash proceeds of approximately \$1.6 million after closing costs, withholding taxes, and security deposits. Following the closing, Custom Capital assigned its rights to acquire the property to its affiliate, Pasture Drive Holdings, LLC (the “ADT Wyoming Buyer”).

In connection with the transaction, ADT, the Company’s wholly owned subsidiary, entered into a single-tenant triple-net lease with the ADT Wyoming Buyer for the ADT Wyoming Property with an initial term of 20 years, with options to extend for up to four additional five-year periods. The lease provides for an initial monthly base rent of \$12, with ADT responsible for property taxes, insurance, utilities, and other operating costs.

As of December 31, 2025, the ADT Wyoming Property had a carrying value of approximately \$1.5 million. The Company expects to recognize a gain on the sale of approximately \$0.1 million during the first quarter of 2026, which will be recorded in the consolidated statement of operations in that period. Additional information regarding this transaction is included in the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on March 3, 2026.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has conducted an evaluation of the design and operation of the Company's disclosure controls and procedures, as such term is defined under Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended. Based on this evaluation, the Company's Chief Executive Officer and Principal Financial Officer have concluded that the Company's disclosure controls and procedures were effective as of December 31, 2025. Such controls and procedures are designed only to provide reasonable assurance. There is no complete assurance that these controls and procedures will operate effectively under all circumstances.

Management's Annual Report on Internal Control Over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15(d)-15(f) of the Securities Exchange Act of 1934. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

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 risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2025 using the criteria set forth in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, the Company's management believes that, as of December 31, 2025, the Company's internal control over financial reporting was effective based on those criteria.

Management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of ADT, which was acquired as part of the merger with Star Operating Companies ("SOC") on August 22, 2025. ADT's operations are currently being integrated into the Company's internal control framework, and management expects to include ADT in its assessment of internal control over financial reporting in a future period. Management's assessment did not include ADT, which represented approximately 11% of total assets and 3% of revenues as of and for the year ended December 31, 2025.

This Form 10-K does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to the SEC's rules for non-accelerated filers that permit the Company to provide only management's assessment report for the year ended December 31, 2025.

Changes in Internal Control Over Financial Reporting

On August 22, 2025 we completed the merger with Star Operating Companies ("SOC"). As a result of this transaction, we have begun integrating the operations, systems, and internal controls of SOC into our existing processes. This integration is ongoing and includes aligning accounting policies, consolidating financial reporting systems, and implementing our internal control framework across the combined entity. These activities represent a change to our internal control over financial reporting. While we do not believe these changes have materially affected our internal control over financial reporting at this time, the integration process may result in additional changes in future periods.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item is incorporated herein by reference to the Company's definitive proxy statement (the "Proxy Statement"), which is expected to be filed with the SEC pursuant to Regulation 14A within 120 days following the end of the fiscal year covered by this report.

ITEM 11. EXECUTIVE COMPENSATION

The information required in Item 11 is incorporated by reference to the information in the Proxy Statement, which is expected to be filed with the SEC pursuant to Regulation 14A within 120 days following the end of the fiscal year covered by this report.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required in Item 12 is incorporated by reference to the information in the Proxy Statement, which is expected to be filed with the SEC pursuant to Regulation 14A within 120 days following the end of the fiscal year covered by this report.

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, which is expected to be filed with the SEC pursuant to Regulation 14A within 120 days following the end of the fiscal year covered by this report.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required in Item 14 is incorporated by reference to the information in the Proxy Statement, which is expected to be filed with the SEC pursuant to Regulation 14A within 120 days following the end of the fiscal year covered by this report.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

1. Financial Statements - See Consolidated Financial Statements at Item 8 of this Annual Report on Form 10-K. Wolf & Company, P.C., Boston, Massachusetts (PCAOB ID #392)
2. Financial Statement Schedules - Supplemental schedules are not provided because of the absence of conditions under which they are required or because the required information is given in the financial statements or notes thereto.
3. Exhibits - The exhibits listed in the accompanying Index of Exhibits are filed as part of, or incorporated by reference into, this Annual Report on Form 10-K.

Exhibit Number	Exhibit Description
(2.1)	Agreement and Plan of Merger, dated as of May 21, 2025, by and among Hudson Global, Inc., HSON Merger Sub, Inc. and Star Equity Holdings, Inc. (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K dated May 21, 2025).
(3.1)	Amended and Restated Certificate of Incorporation of Hudson Global, Inc. (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K dated June 15, 2015 (File No. 0-50129)).
(3.2)	Certificate of Amendment of the Amended and Restated Certificate of Incorporation of Hudson Global, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2018 (File No. 001-38704)).
(3.3)	Certificate of Amendment of the Amended and Restated Certificate of Incorporation of Hudson Global, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated June 10, 2019 (File No. 001-38704)).
(3.4)	Certificate of Amendment to the Amended and Restated Certificate of Incorporation, as Amended, of Hudson Global, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated September 4, 2025 (File No. 001-38704)).
(3.5)	Certificate of Designations of the Board of Directors Establishing the Series and Fixing the Relative Rights and Preferences of Series A Junior Participating Preferred Stock (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated February 2, 2005 (File No. 0-50129)).
(3.6)	Certificate of Designation of Series B Junior Participating Preferred Stock of Hudson Global, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated October 15, 2018 (File No. 0-50129)).
(3.7)	Certificate of Designations, Rights, and Preferences of 10.0% Series A Cumulative Perpetual Preferred Stock of Hudson Global, Inc. (incorporated by reference to Exhibit 4.2 to the Company's Registration Statement on Form S-4 dated July 3, 2025 (File No. 333-288531)).
(3.8)	Amended and Restated By-laws of Hudson Global, Inc. (incorporated by reference to Exhibit 3.4 to the Company's Current Report on Form 8-K dated June 15, 2015 (File No. 0-50129)).
(3.9)	Amendment to the Amended and Restated Bylaws of Star Equity Holdings, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated December 11, 2025).
(4.1)**	Description of Registered Securities.
(4.2)	Rights Agreement, dated as of October 15, 2018, by and between Hudson Global, Inc. and Computershare Trust Company, N.A., as Rights Agent (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated October 15, 2018 (File No. 0-50129)).
(4.3)	First Amendment to Rights Agreement, dated as of September 28, 2021, by and between Hudson Global, Inc. and Computershare Trust Company, N.A. (incorporated by reference to Exhibit 4.1 of the Company's Form 8-K filed with the SEC on September 29, 2021).
(4.4)	Second Amendment to Rights Agreement, dated as of June 18, 2024, by and between Hudson Global, Inc. and Computershare Trust Company, N.A. (incorporated by reference to Exhibit 4.1 of the Company's Form 8-K filed with the SEC on June 21, 2024).
(10.1)*	Management Incentive Plan of Hudson Talent Solutions, LLC, dated as of November 13, 2025 (incorporated by reference to Exhibit 10.2 of the Company's Form 10-Q filed with the SEC on November 14, 2025).
(10.2)*	Hudson Global, Inc. 2009 Incentive Stock and Awards Plan, as Amended and Restated (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated May 20, 2022 (File No. 001-38704)).
(10.3)*	Form of Hudson Global, Inc. 2009 Incentive Stock and Awards Plan Stock Option Agreement (New Non-Employee Directors) (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated October 2, 2015 (File No. 0-50129)).

- (10.4)* [Form of Hudson Global, Inc. 2009 Incentive Stock and Awards Plan Restricted Stock Award Agreement \(Executive Officers and Global Leadership Team\) for awards made on or after November 6, 2015. \(incorporated by reference to Exhibit 10.10 to the Company's Annual Report on Form 10-K dated March 3, 2016 \(File No. 0-50129\)\).](#)
- (10.5)* [Form of Hudson Global, Inc. 2009 Incentive Stock and Awards Plan Restricted Stock Unit Award Agreement \(incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q dated April 28, 2016 \(File No. 0-50129\)\).](#)
- (10.6)* [Summary of Hudson Global, Inc. Compensation for Non-employee Members of the Board of Directors \(incorporated by reference to Exhibit 10.13 to the Company's Annual Report on Form 10-K dated March 3, 2016 \(File No. 0-50129\)\).](#)
- (10.7)* [Hudson Global, Inc. Amended and Restated Director Deferred Share Plan \(incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 \(File No. 0-50129\)\).](#)
- (10.8) [Purchase and Sale Agreement of ADT Texas, dated as of December 16, 2025 \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated December 17, 2025\).](#)
- (10.9) [Purchase and Sale Agreement of ADT Utah, dated as of December 16, 2025 \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated December 17, 2025\).](#)
- (10.10) [Purchase and Sale Agreement of ADT Wyoming, dated as of December 16, 2025 \(incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K dated December 17, 2025 \(File No. 001-38704\)\).](#)
- (10.11) [Amended and Restated Executive Employment Agreement, dated as of December 8, 2025, between Star Equity Holdings, Inc. and Jeffrey E. Eberwein \(incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K dated December 9, 2025\).](#)
- (10.12) [Securities Exchange Agreement, dated as of December 8, 2025, between Star Equity Holdings, Inc. and Jeffrey E. Eberwein \(incorporated by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K dated December 9, 2025\).](#)
- (10.13) [Amended and Restated Executive Employment Agreement, dated as of December 31, 2025, between Star Equity Holdings, Inc. and Richard K. Coleman, Jr. \(incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K dated January 5, 2026\).](#)
- (10.14) [Amended and Restated Executive Employment Agreement, dated as of November 13, 2025, between Hudson Talent Solutions, LLC and Jacob Zabkowitz \(incorporated by reference to Exhibit 10.1 of the Company's Form 10-Q filed with the SEC on November 14, 2025\).](#)
- (10.15) [Extension and Modification Agreement, dated January 31, 2020, by and among EdgeBuilder, Inc., Glenbrook Building Supply, Inc. and Premier Bank \(incorporated by reference to Exhibit 10.3 to the Star Operating Companies, Inc. Current Report on Form 8-K filed with the Commission on February 6, 2020\).](#)
- (10.16) [Form of Common Stock Purchase Warrant \(incorporated by reference to Exhibit 4.3 to the Star Operating Companies, Inc. Current Report on Form 8-K filed with the Commission on January 25, 2022\).](#)
- (10.17) [Warrant Agent Agreement, dated January 10, 2022, between Star Equity Holdings, Inc. and American Stock Transfer & Trust Company, LLC \(incorporated by reference to Exhibit 4.4 to the Star Operating Companies, Inc. Current Report on Form 8-K filed with the Commission on January 25, 2022\).](#)
- (10.18) [Revolving Credit Loan Agreement and Promissory Note by and between Glenbrook Building Supply, Inc. EdgeBuilder, Inc., and Premier Bank \(incorporated by reference to Exhibit 10.1 to the Star Operating Companies, Inc. Current Report on Form 8-K filed with the Commission on August 22, 2023\).](#)
- (10.19) [Share Exchange Agreement, dated as of August 9, 2024, by and among Star Equity Holdings, Inc. and Enservco Corporation \(incorporated by reference to Exhibit 10.1 to the Star Operating Companies, Inc. Current Report on Form 8-K filed with the Commission on August 12, 2024\).](#)
- (10.20) [Note Purchase Agreement, dated as of August 9, 2024, by and among Star Equity Holdings, Inc. and Enservco Corporation \(incorporated by reference to Exhibit 10.2 to the Star Operating Companies, Inc. Current Report on Form 8-K filed with the Commission on August 12, 2024\).](#)
- (10.21) [Promissory Note, dated as of August 9, 2024, by and among Star Equity Holdings, Inc. and Enservco Corporation \(incorporated by reference to Exhibit 10.3 to the Star Operating Companies, Inc. Current Report on Form 8-K filed with the Commission on August 12, 2024\).](#)
- (10.22) [Registration Rights Agreement, dated as of August 9, 2024, by and among Star Equity Holdings, Inc. and Enservco Corporation \(incorporated by reference to Exhibit 10.4 to the Star Operating Companies, Inc. Current Report on Form 8-K filed with the Commission on August 12, 2024\).](#)
- (10.23) [Promissory Note Secured By Mortgage dated June 28, 2024, by and among Timber Technologies, LLC and 106 Bremer Ave, LLC \(incorporated by reference to Exhibit 10.1 to the Star Operating Companies, Inc. Current Report on Form 8-K filed with the Commission on July 3, 2024\).](#)
- (10.24) [Mortgage dated June 28, 2024, by and among Timber Technologies, LLC and 106 Bremer Ave, LLC \(incorporated by reference to Exhibit 10.2 to the Star Operating Companies, Inc. Current Report on Form 8-K filed with the Commission on July 3, 2024\).](#)

- (10.25) [Commercial Single-Tenant Triple Net Lease, dated as of May 6, 2024, by and between Star Equity Holdings, Inc., MAG Capital Partners Acquisition LLC and its investors, and Park Street Maine Industrial, LLC \(incorporated by reference to Exhibit 10.71 to the Star Operating Companies, Inc. Annual Report on Form 10-K dated March 21, 2025\).](#)
- (10.26) [Commercial Single-Tenant Triple Net Lease, dated as of May 6, 2024, by and between Star Equity Holdings, Inc. and Big Lake Industrial 2024, LLC \(incorporated by reference to Exhibit 10.72 to the Star Operating Companies, Inc. Annual Report on Form 10-K dated March 21, 2025\).](#)
- (10.27) [Lease Agreement, dated June 28, 2024, by and between Timber Technologies Solutions, Inc. and 106 Bremer Ave, LLC \(incorporated by reference to Exhibit 10.73 to the Star Operating Companies, Inc. Annual Report on Form 10-K dated March 21, 2025\).](#)
- (10.28) [Loan Agreement, dated May 17, 2024, by and between Star Equity Holdings, Inc. and Bridgewater Bank \(incorporated by reference to Exhibit 10.2 to the Star Operating Companies, Inc. Current Report on Form 8-K filed with the Commission on May 20, 2024\).](#)
- (10.29) [Term Promissory Note, dated May 17, 2024, by and between Timber Technologies Solutions, Inc. and Bridgewater Bank \(incorporated by reference to Exhibit 10.3 to the Star Operating Companies, Inc. Current Report on Form 8-K filed with the Commission on May 20, 2024\).](#)
- (10.30) [Guaranty, dated May 17, 2024, by Star Equity Holdings, Inc. in favor of Bridgewater Bank \(incorporated by reference to Exhibit 10.4 to the Star Operating Companies, Inc. Current Report on Form 8-K filed with the Commission on May 20, 2024\).](#)
- (10.31) [Loan and Security Agreement, dated as of April 24, 2024, by and between KBS Builders, Inc. and Keybank National Association \(incorporated by reference to Exhibit 10.1 to the Star Operating Companies, Inc. Current Report on Form 8-K filed with the Commission on April 26, 2024\).](#)
- (10.32) [Guaranty, dated April 24, 2024, by Star Equity Holdings, Inc. and Keybank National Association \(incorporated by reference to Exhibit 10.2 to the Star Operating Companies, Inc. Current Report on Form 8-K dated April 26, 2024 \(File No. 001-35947\)\).](#)
- (10.33) [Lease Agreement, dated December 31, 2024, by and between Pine St Industrial Partners, LLC, TenNine Holdings, LLC and Edgebuilder, Inc. \(incorporated by reference to Exhibit 10.82 to the Star Operating Companies, Inc. Annual Report on Form 10-K dated March 21, 2025\).](#)
- (10.34)** [Promissory Note, dated May 4, 2023 by and between Star Equity Holdings, Inc. and TTG Holdings, LLC.](#)
- (10.35) [Agreement and Plan of Merger, by and among Star Equity Holdings, Inc., Alliance Transaction Inc., Alliance Drilling Solutions, Inc., ADT Parent, LLC, Alliance Drilling Tools, LLC, The Sellers Named Herein, and Bruce McGovern, et. al., dated as of March 3, 2025 \(incorporated by reference to Exhibit 10.1 to Star Equity Holdings, Inc.'s Current Report on Form 8-K dated March 4, 2025\).](#)
- (10.36) [Loan and Security Agreement, by and among Austin Financial Services, LLC and Alliance Drilling Tools, LLC, dated as of March 3, 2025 \(incorporated by reference to Exhibit 10.2 to Star Equity Holdings, Inc.'s Current Report on Form 8-K dated March 4, 2025\).](#)
- (10.37)** [Lease Agreement, dated February 26, 2026, by and between Alliance Drilling Tools, LLC and Pasture Drive Holdings, LLC.](#)
- (10.38) [Form of Hudson Global, Inc. 2009 Incentive Stock and Awards Plan Restricted Stock Unit Award Agreement, as amended \(incorporated by reference to the Company's Report on Form S-4 dated July 3, 2025 \(File No. 333-288531\)\).](#)
- (14.1)** [Star Equity Holdings, Inc. Code of Business Conduct and Ethics, adopted February 18, 2004, most recently revised January 1, 2026.](#)
- (19)** [Star Equity Holdings, Inc. Insider Trading Policy, most recently revised March 13, 2026.](#)
- (21)** [Subsidiaries of Star Equity Holdings, Inc.](#)
- (23.1)** [Consent of Wolf & Company, P.C.](#)
- (31.1)** [Certification by the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act.](#)
- (31.2)** [Certification by the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act.](#)
- (32.1)*** [Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350.](#)
- (32.2)*** [Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350.](#)
- (97.1)** [Star Equity Holdings, Inc. Incentive-Based Compensation Clawback Policy, dated November 29, 2023, updated March 13, 2026.](#)
- (101) The following materials from the Company's Annual Report on Form 10-K for the year ended December 31, 2025 are filed herewith, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Statements of Operations for the years ended December 31, 2025 and 2024, (ii) the Consolidated Statements of Comprehensive Income for the years ended December 31, 2025 and 2024, (iii) the Consolidated Balance Sheets as of December 31, 2025 and 2024, (iv) the Consolidated Statements of Cash Flows for the years ended December 31, 2025 and 2024, (v) the Consolidated Statement of Stockholders' Equity for the years ended December 31, 2025 and 2024, and (vi) Notes to Consolidated Financial Statements.

- * A management contract or compensatory plan or arrangement.
- ** Filed herewith.
- *** Furnished, not filed.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

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.

STAR EQUITY HOLDINGS, INC.
(Registrant)

By: /s/ JEFFREY E. EBERWEIN
Jeffrey E. Eberwein
Chief Executive Officer
(Principal Executive Officer)

Date: March 20, 2026

POWER OF ATTORNEY

Each person whose individual signature appears below hereby authorizes and appoints Jeffrey E. Eberwein and Matthew K. Diamond, and each of them, with full power of substitution and resubstitution and full power to act without the other, as his or her true and lawful attorney-in-fact and agent to act in his or her name, place and stead and to execute in the name and on behalf of each person, individually and in each capacity stated below, and to file any and all amendments to this annual report on Form 10-K and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing, ratifying and confirming all that said attorneys-in-fact and agents or any of them or their or his substitute or substitutes may lawfully do or cause to be done by virtue thereof.

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 and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ JEFFREY E. EBERWEIN</u> Jeffrey E. Eberwein	Chief Executive Officer and Director (Principal Executive Officer)	March 20, 2026
<u>/s/ MATTHEW K. DIAMOND</u> Matthew K. Diamond	Chief Accounting Officer (Principal Accounting Officer and Principal Financial Officer)	March 20, 2026
<u>/s/ MIMI DRAKE</u> Mimi Drake	Board Chair	March 20, 2026
<u>/s/ ROBERT G. PEARSE</u> Robert G. Pearse	Director	March 20, 2026
<u>/s/ CONNIA NELSON</u> Connia Nelson	Director	March 20, 2026
<u>/s/ TODD M. FRUHBEIS</u> Todd M. Fruhbeis	Director	March 20, 2026
<u>/s/ JENNIFER PALMER</u> Jennifer Palmer	Director	March 20, 2026
<u>/s/ LOUIS A. PARKS</u> Louis A. Parks	Director	March 20, 2026

**DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934**

The following description of securities of Star Equity Holdings, Inc. (the "Company," "we," "our," or "us") provides a summary of the rights of our capital stock as well as certain provisions of our Amended and Restated Certificate of Incorporation, as amended (our "Certificate of Incorporation"), and our Amended and Restated Bylaws, as amended (our "Bylaws"), each as currently in effect. This summary does not purport to be complete and is qualified in its entirety by reference to the applicable provisions of the Delaware General Corporation Law, as amended (the "DGCL"), and the provisions of our Certificate of Incorporation and our Bylaws, copies of which are filed as exhibits to this Annual Report on Form 10-K and are incorporated by reference herein. We encourage you to read our Certificate of Incorporation, our Bylaws, and the applicable provisions of the DGCL for additional information.

Description of Capital Stock

Authorized Capital Stock

We are authorized to issue 30,000,000 shares of capital stock, of which 20,000,000 shares are shares of common stock, par value \$0.001 per share ("Common Stock"), and 10,000,000 shares are shares of preferred stock, par value \$0.001 per share ("Preferred Stock").

Rights of Common Stock

Voting Rights. Generally, holders of Common Stock are entitled to cast one vote for each share held of record on all matters submitted to a vote of the stockholders, including the election of directors.

Dividends. Each share of Common Stock is entitled to dividends if, as and when dividends are declared by the Board and paid. Under Delaware corporate law, we may declare and pay dividends only out of our surplus, or in case there is no such surplus, out of our net profits for the fiscal year in which the dividend is declared and/or the preceding year. We will pay any dividend so declared and payable in cash, capital stock or other property equally, share for share, on our Common Stock. We may not declare dividends, however, if our capital has been diminished by depreciation, losses or otherwise to an amount less than the aggregate amount of capital represented by any issued and outstanding stock having a preference on distribution.

Liquidation. In the event of our liquidation, dissolution or winding up, holders of the shares of Common Stock are entitled to share equally, share for share, in the assets available for distribution, subject to any liquidation preference on any outstanding shares of our preferred stock.

Other Rights and Preferences. Holders of our Common Stock do not have any preemptive, cumulative voting, subscription, conversion, or redemption rights.

Preferred Stock

Our Board has the authority, without further action by our stockholders, to issue shares of Preferred Stock in one or more series and to fix the designations, powers, preferences, rights of the shares of each such series and to fix the qualifications, limitations, and restrictions of each series, including, but not limited to, dividend rights, terms of redemption, conversion rights, and voting rights, any or all of which may be greater than the rights of Common Stock, and the number of shares constituting such series. The issuance of our Preferred Stock could adversely affect the voting power of holders of our Common Stock and the likelihood that such holders will receive dividend payments and payments upon liquidation.

Rights of Series A Preferred Stock

The Company previously filed a Certificate of Designations, Rights and Preferences of the 10% Series A Cumulative Perpetual Preferred Stock (the "*Series A Certificate of Designation*"), designating 8,000,000 shares of authorized Preferred Stock as Series A Preferred Stock ("*Series A Preferred Stock*").

Rank. The Series A Preferred Stock, with respect to dividend rights and rights upon liquidation, dissolution or winding up of the Company, will rank (i) senior to the Common Stock and to all other equity securities issued by the Company the terms of which specifically provide that such equity securities rank junior to the Series A Preferred Stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of the Company; (ii) on a parity with all equity securities issued by the Company the terms of which specifically provide that such equity securities rank on a parity with the Series A Preferred Stock with respect to dividend rights and rights upon liquidation, dissolution or winding up of the Company (the "*Parity Preferred Stock*"); and (iii) junior to all equity securities issued by the Company the terms of which specifically provide that such equity securities rank senior to the Series A Preferred Stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of the Company and to all existing and future indebtedness of the Company. The term "equity securities" does not include convertible debt securities.

Voting Rights. Holders of the Series A Preferred Stock will not have any voting rights, except as set forth herein or otherwise required by law. Whenever dividends on any shares of Series A Preferred Stock shall be in arrears for six or more consecutive quarters (a "*Preferred Dividend Default*"), the holders of such shares of Series A Preferred Stock, together with the holders of all classes or series of Parity Preferred Stock upon which like voting rights have been conferred and are exercisable, will be entitled to vote separately as a class for the election of a total of two additional directors of the Company (the "*Preferred Stock Directors*") at a special meeting called upon the written request of the holders of record of at least 20% of the Series A Preferred Stock or the holders of record of at least 20% of any class or series of Parity Preferred Stock so in arrears (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which case such vote will be held at the earlier of the next annual or special meeting of stockholders of the Company) or at the next annual meeting of stockholders, and at each subsequent annual or special meeting until all dividends accumulated on such shares of Series A Preferred Stock for the past dividend periods and the dividend for the then current dividend period shall have been fully paid or declared and a sum sufficient for the payment thereof set apart for payment.

Dividends. Holders of shares of the Series A Preferred Stock are entitled to receive, when and as authorized by the Board of Directors (or a duly authorized committee thereof) and declared by the Company, out of funds legally available for the payment of dividends, preferential cumulative cash dividends at the rate of 10.0% per annum of the \$10.00 liquidation preference per share (equivalent to a fixed annual amount of \$1.00 per share). Dividends on the Series A Preferred Stock shall be cumulative from (but excluding) the date of original issue and shall be payable quarterly in arrears on or before the last day of each of March, June, September and December (each, a "*Dividend Payment Date*") or, if such date is not a Business Day (as defined below), on the immediately succeeding Business Day or on such later date as designated by the Board of Directors, with the same force and effect as if paid on such date. Any dividend payable on the Series A Preferred Stock for any partial dividend period will be computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends will be payable to holders of record as they appear in the Company's stock records for the Series A Preferred Stock at the close of business on the applicable record date, which shall be the first day of each of March, June, September and December, whether or not a Business Day, in which the applicable Dividend Payment Date falls (each, a "*Dividend Record Date*"). The term "Business Day" shall mean any calendar day on which the Nasdaq Global Market is open for trading.

Liquidation. Upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company, the holders of shares of Series A Preferred Stock are entitled to be paid out of the assets of the Company legally available for distribution to its stockholders a liquidation preference of \$10.00 per share, plus an amount equal to any accumulated and unpaid dividends to but excluding the date of payment, but without interest, before any distribution of assets is made to holders of Common Stock or any other class or series of stock of the Company that ranks junior to the Series A Preferred Stock as to liquidation rights. If the assets of the Company legally available for distribution

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to stockholders are insufficient to pay in full the liquidation preference on the Series A Preferred Stock and the liquidation preference on the shares of any class or series of Parity Preferred Stock, all assets distributed to the holders of the Series A Preferred Stock and any class or series of Parity Preferred Stock shall be distributed pro rata so that the amount of assets distributed per share of Series A Preferred Stock and such class or series of Parity Preferred Stock shall in all cases bear to each other the same ratio that the liquidation preference per share on the Series A Preferred Stock and such class or series of Parity Preferred Stock bear to each other.

Conversion. The Series A Preferred Stock is not convertible into or exchangeable for any other property or securities of the Company.

Rights of Series A Junior Participating Preferred Stock

On February 2, 2005, the Company filed a Certificate of Designations, Preferences and Rights of Series A Junior Participating Preferred Stock (the "*Series A Junior Certificate of Designation*"), designating 1,000,000 shares of authorized Preferred Stock as Series A Junior Participating Preferred Stock ("*Series A Junior Preferred Stock*").

Voting Rights. Subject to the provision for adjustment hereinafter set forth, each share of Series A Junior Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the stockholders of the Company. In the event the Company shall at any time after the Record Date (defined below) declare or pay any dividend on Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the number of votes per share to which holders of shares of Series A Junior Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction the numerator of which is the number of shares of Common Stock that are outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event. Except as otherwise provided herein, in any other resolution of the Board of Directors creating a series of Preferred Stock or any similar stock, or by law, the holders of shares of Series A Junior Preferred Stock and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of stockholders of the Company. Except as set forth herein, holders of Series A Junior Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Dividends. The holders of shares of Series A Junior Preferred Stock, in preference to the holders of shares of Common Stock and of any other junior stock, shall be entitled to receive, when, as and if declared by the Board out of funds legally available for the purpose, quarterly dividends payable in cash on the first business days of January, April, July and October in each year (each such date being referred to herein as a "*Quarterly Dividend Payment Date*"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Junior Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (i) \$1.00 or (ii) subject to the provision for adjustment hereinafter set forth, 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all noncash dividends or other distributions, other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Payment Date, since the first issuance of any share or fraction of a share of Series A Junior Preferred Stock. In the event the Company shall at any time after the close of business on February 28, 2005 (the "*Record Date*") (a) declare any dividend on Common Stock payable in shares of Common Stock, (b) subdivide the outstanding Common Stock, or (c) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount to which holders of shares of Series A Junior Preferred Stock were entitled immediately prior to such event under clause (ii) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock that are outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event. The Company shall declare a dividend or distribution on the Series A Junior Preferred Stock as provided above immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of \$1.00 per share on the Series A Junior Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

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Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Junior Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Series A Junior Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Junior Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Junior Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board may fix a record date for the determination of holders of shares of Series A Junior Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than 30 days prior to the date fixed for the payment thereof.

Liquidation. Upon any liquidation, dissolution or winding up of the Company, no distribution shall be made (A) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Preferred Stock unless, prior thereto, the holders of shares of Series A Junior Preferred Stock shall have received \$100 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, provided that the holders of shares of Series A Junior Preferred Stock shall be entitled to receive an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount to be distributed per share to holders of shares of Common Stock, or (B) to the holders of shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding

up) with the Series A Junior Preferred Stock, except distributions made ratably on the Series A Junior Preferred Stock and all other such parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up. In the event the Company shall at any time after the Record Date declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which holders of shares of Series A Junior Preferred Stock were entitled immediately prior to such event under the proviso in clause (A) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Other Rights and Preferences. The shares of Series A Junior Preferred Stock are not redeemable.

Rights of Series B Junior Participating Preferred Stock

On October 15, 2018, the Company filed a Certificate of Designations, Preferences and Rights of Series B Junior Participating Preferred Stock (the “*Series B Junior Certificate of Designation*”), designating 1,000,000 shares of authorized Preferred Stock as Series B Junior Participating Preferred Stock (“*Series B Junior Preferred Stock*”).

Voting Rights. Subject to the provision for adjustment hereinafter set forth, each share of the Series B Junior Preferred Stock will entitle the holder thereof to one hundred votes on all matters submitted to a vote of the stockholders of the Company. In the event the Company at any time (i) declares a dividend on the outstanding shares of Common Stock payable in shares of Common Stock, (ii) subdivides the outstanding shares of Common Stock, (iii) combines the outstanding shares of Common Stock into a smaller number of shares, or (iv) issues any shares of its capital stock in a reclassification of the outstanding shares of Common Stock (including any such reclassification in connection with a consolidation or merger in which the Company is the continuing or surviving corporation), then, in each such case and regardless of whether any shares of Series B Junior Preferred Stock are then issued or outstanding, the number of votes per share to which the holders of shares of the Series B Junior Preferred Stock would otherwise be entitled immediately prior to such event will be adjusted by multiplying such number by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event, and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event. Except as otherwise provided herein, in any Certificate of Designation creating a series of Preferred Stock or any similar stock, or by law, the holders of shares of the Series B Junior Preferred Stock and the holders of shares of the Common Stock and any

other capital stock of the Company having general voting rights will vote together as one class on all matters submitted to a vote of stockholders of the Company. Except as set forth in the Amended and Restated Certificate of Incorporation or herein, or as otherwise provided by law, the holders of shares of the Series B Junior Preferred Stock will have no voting rights.

Dividends. Subject to the rights of the holders of any shares of any series of Preferred Stock ranking prior to the Series B Junior Preferred Stock with respect to dividends, the holders of shares of the Series B Junior Preferred Stock, in preference to the holders of the Common Stock of the Company, and of any other junior stock, will be entitled to receive, when, as and if declared by the Board out of funds legally available for the purpose, dividends payable in cash (except as otherwise provided below) on such dates as are from time to time established for the payment of dividends on the Common Stock (each such date being referred to herein as a “*Dividend Payment Date*”), commencing on the first Dividend Payment Date after the first issuance of a share or fraction of a share of the Series B Junior Preferred Stock (the “*First Dividend Payment Date*”), in an amount per share (rounded to the nearest cent) equal to the greater of (i) \$1.00 or (ii) subject to the provision for adjustment hereinafter set forth, one hundred times the aggregate per share amount of all cash dividends, and one hundred times the aggregate per share amount (payable in kind) of all non-cash dividends, other than a dividend payable in shares of the Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Dividend Payment Date or, with respect to the First Dividend Payment Date, since the first issuance of any share or fraction of a share of the Series B Junior Preferred Stock. In the event that the Company at any time (i) declares a dividend on the outstanding shares of Common Stock payable in shares of Common Stock, (ii) subdivides the outstanding shares of Common Stock, (iii) combines the outstanding shares of Common Stock into a smaller number of shares, or (iv) issues any shares of its capital stock in a reclassification of the outstanding shares of Common Stock (including any such reclassification in connection with a consolidation or merger in which the Company is the continuing or surviving corporation), then, in each such case and regardless of whether any shares of the Series B Junior Preferred Stock are then issued or outstanding, the amount to which the holders of shares of the Series B Junior Preferred Stock would otherwise be entitled immediately prior to such event under clause (ii) of the preceding sentence will be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event, and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event. The Company will declare a dividend on the Series B Junior Preferred Stock as provided in the immediately preceding paragraph immediately after it declares a dividend on the Common Stock (other than a dividend payable in shares of Common Stock). Each such dividend on the Series B Junior Preferred Stock will be payable immediately prior to the time at which the related dividend on the Common Stock is payable. Dividends will accrue on outstanding shares of the Series B Junior Preferred Stock from the Dividend Payment Date next preceding the date of issue of such shares, unless (i) the date of issue of such shares is prior to the record date for the First Dividend Payment Date, in which case dividends on such shares will accrue from the date of the first issuance of a share of the Series B Junior Preferred Stock or (ii) the date of issue is a Dividend Payment Date or is a date after the record date for the determination of the holders of shares of the Series B Junior Preferred Stock entitled to receive a dividend and before such Dividend Payment Date, in either of which events such dividends will accrue from such Dividend Payment Date. Accrued but unpaid dividends will cumulate from the applicable Dividend Payment Date but will not bear interest. Dividends paid on the shares of Series B Junior Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares will be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board may fix a record date for the determination of the holders of shares of the Series B Junior Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date will be not more than 60 calendar days prior to the date fixed for the payment thereof.

Liquidation. Upon any liquidation, dissolution or winding up of the Company, no distribution will be made (a) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the shares of Series B Junior Preferred Stock unless, prior thereto, the holders of shares of the Series B Junior Preferred Stock have received \$100 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment; provided, however, that the holders of shares of the Series B Junior Preferred Stock will be entitled to receive an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to one hundred times the aggregate amount to be distributed per share to the holders of shares of the Common Stock or (b) to the holders of shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the shares of Series B Junior Preferred Stock, except distributions made ratably on the shares of Series B Junior Preferred Stock and all such parity stock in proportion to the total amounts to

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which the holders of all such shares are entitled upon such liquidation, dissolution or winding up. In the event the

Company at any time (i) declares a dividend on the outstanding shares of Common Stock payable in shares of Common Stock, (ii) subdivides the outstanding shares of Common Stock, (iii) combines the outstanding shares of Common Stock into a smaller number of shares, or (iv) issues any shares of its capital stock in a reclassification of the outstanding shares of Common Stock (including any such reclassification in connection with a consolidation or merger in which the Company is the continuing or surviving corporation), then, in each such case and regardless of whether any shares of the Series B Junior Preferred Stock are then issued or outstanding, the aggregate amount to which each holder of shares of the Series B Junior Preferred Stock would otherwise be entitled immediately prior to such event under the proviso in clause (a) of the preceding sentence will be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event, and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Other Rights and Preferences. The shares of Series B Junior Preferred Stock are not redeemable.

Fully Paid and Nonassessable

All of our outstanding shares of Common Stock and Preferred Stock are fully paid and nonassessable.

Anti-Takeover Provisions

Restrictions on Business Combinations with Interested Stockholders

Delaware Anti-Takeover Statute. We are subject to Section 203 of the DGCL, which prohibits persons deemed “interested stockholders” from engaging in a “business combination” with a publicly traded Delaware corporation for three years following the date these persons become interested stockholders unless the business combination is, or the transaction in which the person became an interested stockholder was, approved in a prescribed manner or another prescribed exception applies. Generally, an “interested stockholder” is a person who, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation’s voting stock. Generally, a “business combination” includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by the Board, such as discouraging takeover attempts that might result in a premium over the market price of our Common Stock.

Warrants

As of December 31, 2025, 10,925,000 warrants to purchase shares of our capital stock were outstanding, which represents 502,550 shares of common stock equivalents.

Listing

Our Common Stock is listed on the Nasdaq Global Select Market under the symbol “STRR”. Our Series A Preferred Stock is listed on the Nasdaq Global Select Market under the symbol “STRRP”.

Transfer Agent and Registrar

The transfer agent and registrar for our Common Stock is Computershare, Inc.

EXECUTION

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE AND THE MAKER HAS RECEIVED EVIDENCE OF SUCH EXEMPTION REASONABLY SATISFACTORY TO THE MAKER.

THIS NOTE AND THE RIGHTS AND OBLIGATIONS EVIDENCED HEREBY ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN SECTION 3 HEREOF AND EACH HOLDER OF THIS INSTRUMENT, BY ITS ACCEPTANCE HEREOF, IRREVOCABLY AGREES TO BE BOUND BY SUCH PROVISIONS.

UNSECURED SUBORDINATED PROMISSORY NOTE

\$7,000,000.00

May 4, 2023

FOR VALUE RECEIVED, the undersigned, TTTG Holdings, LLC, a Delaware limited liability company ("Maker"), promises to pay to the order of Star Equity Holdings, Inc. ("Payee"; Payee and any subsequent holders hereof are hereinafter referred to collectively as "Holder"), the principal sum of Seven Million and 00/00 Dollars (\$7,000,000.00) (as the same may be adjusted from time to time pursuant to the terms hereof) on May 3, 2029 (the "Maturity Date"), together with payment-in-kind (non-cash) interest on the outstanding principal balance hereof to accrue at the Interest Rate (as defined below) from the date of issuance of this Promissory Note (this "Note"). As used herein, the terms "Maker" and "Holder" shall be deemed to include their respective successors, legal representatives and assigns, whether by voluntary action of the parties or by operation of law.

TTT Imaging Solutions, LLC, a wholly owned subsidiary of Maker, and Insignia TTT Parent, LLC, a parent entity of Maker, are parties to that certain Stock Purchase and Contribution Agreement by and among Star Equity Holdings, Inc., as Seller, Digirad Health, Inc., as the Company, TTT Imaging Solutions, LLC, as Buyer, and Insignia TTT Parent, LLC, as Parent, dated as of the date hereof (as amended, supplemented or otherwise modified, the "Purchase Agreement"). This Note is given by Maker to Payee in accordance with the terms of the Purchase Agreement. All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Purchase Agreement.

1. Repayment of Principal and Interest. Principal shall be payable in lawful money of the United States of America. Interest accrued at the Interest Rate shall compound annually and accrued unpaid interest shall be added to the principal amount outstanding on each annual anniversary date of this Note. Maker shall pay all interest and principal outstanding under this Note on the Maturity Date. The indebtedness evidenced hereby may be prepaid in whole or in part, at any time and from time to time, without premium or penalty. Prepayments shall include any amount set-off against the principal balance hereof by Maker in accordance with the terms of the Purchase Agreement (collectively, "Setoff Amounts"). All payments by Maker with respect to this Note are subject to Section 3 of this Note. As used herein, "Interest Rate" means (i) during the period from the date of issuance of this Note through the third anniversary of the date of issuance of this Note, a per annum rate equal to the sum of (x) 5.0% per annum plus (y) the greater of 5.0% per annum and the weighted average term SOFR-based interest rate of outstanding loans under the Senior Loan Agreement during such period, and (ii) during the period following the third anniversary of the date of issuance of this Note, a per annum rate equal to the sum of (x) 5.0% per annum plus (y) the greater of 7.0% per annum and the weighted average term SOFR-based interest rate of outstanding loans under the Senior Loan Agreement during such period.

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2. Events of Default. Each of the following events shall constitute an "Event of Default" under this Note:

- (a) Any failure to make any payment of interest and/or principal payable under this Note within ten (10) days of the date when such payment is due unless cured within five (5) days after demand for payment is made to Maker;
- (b) Maker shall be insolvent or unable to pay its debts as they mature or shall apply for or consent to the appointment of a receiver or trustee or similar officer for itself, or such receiver, trustee or similar officer shall be appointed other than upon the application or with the consent of Maker and in such latter case such appointment shall remain unvacated for a period of ninety (90) consecutive days;
- (c) Maker shall consent to an adjudication as a bankrupt entity, or such petition shall be filed against Maker and in such latter case shall remain undismissed for a period of ninety (90) consecutive days;
- (d) Maker shall commence or consent to any proceeding under any bankruptcy or debtor's law for its relief or for its reorganization or for a composition, extension or readjustment of any of its obligations, or any such proceeding shall be commenced against Maker and in such latter case shall be judicially approved as properly instituted and shall remain undismissed for a period of ninety (90) consecutive days after the commencement thereof;
- (e) The termination of existence, dissolution or liquidation of Maker; or
- (f) The consummation of a sale, transfer or conveyance of 50% or more of the outstanding voting stock of Maker or TIG Imaging Solutions, LLC ("Senior Borrower") beneficially, directly or indirectly, owned by Sponsor (in each case where such term is referred to in this clause (f), as defined in the Senior Loan Agreement) to any person where cash constitutes at least a majority of the consideration of such transaction, in each case, other than a sale, transfer or conveyance to any affiliate of the Sponsor or any affiliate or subsidiary of Maker or Senior Borrower.

Upon the occurrence of any Event of Default, all sums due and owing hereunder shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived.

In the event this Note is placed in the hands of an attorney for collection, or if Holder incurs any costs incident to the collection of the indebtedness evidenced hereby, Maker and any endorsers hereof agree to pay to Holder an amount equal to all out-of-pocket costs incurred with respect thereto, including without limitation all reasonable attorneys' fees and all court costs.

Maker may at its sole discretion elect to recover (i) Damages incurred by the Maker or any of its affiliates; and/or (ii) any amounts owed to Maker with respect to the Adjustment Amount in accordance with the terms of the Purchase Agreement by setting off such amounts against amounts otherwise due and payable under this Note. Prior to exercising its right of set-off, Maker shall provide Holder with prior written notice thereof. If Maker exercises its right of set-off, the amount set off by Maker shall first reduce all accrued and unpaid interest due and owing hereunder before any set-off of the principal. Upon the request of Maker, from time to time an amended and restated note shall be issued by Maker to Holder for the then-effective principal amount of this Note (and in such case this Note shall be surrendered to Maker by Holder) to reflect reductions in the principal amount of this Note as a result of any such set-off. If Maker

exercises its right of set-off and subsequently either (i) Maker and Holder agree that all or a portion of such amount should not have been set off and is owed to Holder, or (ii) a final judgment (no longer subject to appeal) is entered which provides that all or a portion of such amount should not have been set off and is owed to Holder, then Maker shall pay such amount to Holder, together with interest accruing on such amount at the Interest Rate from the date that such amount would otherwise have been payable under the terms of this Note to (but excluding) the date such amount is paid to Holder.

3. Subordination: Restrictions on Payment. This Note is unsecured and may not be secured by any assets of Maker, any of its affiliates, or any Credit Party (defined below). Anything in this Note to the contrary notwithstanding, the obligations of Maker and each other obligor of Subordinated Debt (defined below) in respect of the principal, interest, fees and charges on this Note and any other

Subordinated Debt shall be subordinate and junior in right of payment, to the extent and in the manner hereinafter set forth, to the prior payment in full in cash of all Senior Debt (defined below). By its acceptance hereof, Holder and each beneficial owner of any interest in this Note irrevocably agree, for the directly intended and enforceable benefit of each present and future holder of any Senior Debt and agent, trustee or other representative of such holders or of one or more groups of such holders (each a "Senior Lender" and, collectively, the "Senior Lenders"), that the Subordinated Debt is hereby subordinated to the Senior Debt on the following terms:

(a) In the event that Maker or other obligor of Subordinated Debt makes a general assignment for the benefit of creditors; or an order, judgment or decree is entered adjudicating Maker or other obligor of Subordinated Debt bankrupt or insolvent; or any order for relief with respect to Maker or other obligor of Subordinated Debt is entered under the United States Bankruptcy Code; or Maker or other obligor of Subordinated Debt petitions or applies to any tribunal for the appointment of a custodian, trustee, receiver or liquidator of Maker or other obligor of Subordinated Debt or of any substantial part of the assets of Maker or other obligor of Subordinated Debt, or commences any proceeding relating to Maker or other obligor of Subordinated Debt under any bankruptcy, reorganization, arrangement, insolvency, conservatorship, receivership, moratorium, readjustment of debt, dissolution, liquidation or other debtor relief law of any jurisdiction; or any such petition or application is filed, or any such proceeding is commenced, against Maker or other obligor of Subordinated Debt (collectively referred to as an "Insolvency Event"), or upon any acceleration of Senior Debt, then:

(i) the Senior Lenders shall be entitled to receive payment in full in cash of all principal, premium, interest, fees, charges and other amounts then due on all Senior Debt (including interest, fees, charges and other amounts accruing thereon after the commencement of any such Insolvency Event) at the rate provided in the documentation for such Senior Debt (irrespective of whether such interest, fees, charges or other amounts are allowed as a claim in such proceedings) before the Holder is entitled to receive any payment of any kind or character on account of principal, interest or other amounts due (or past due) upon this Note or other Subordinated Debt, and the Senior Lenders shall be entitled to receive for application in payment thereof all payments and distributions of any kind or character, whether in cash, property or securities or by set-off or otherwise, which may be payable or deliverable in any such proceedings in respect of this Note or other Subordinated Debt; and

(ii) any payment or distribution of assets of Maker or other obligor of Subordinated Debt, of any kind or character, whether in cash, property or securities, to which Holder would be entitled except for the provisions of this Section 3(a) shall be paid or delivered by Maker or other obligor of Subordinated Debt (or any receiver or trustee in such proceedings) directly to the Senior Lenders for application of such payment according to the priorities of such debt, until all Senior Debt (including interest, fees, charges and other amounts accrued thereon after the date of commencement of such proceedings) at the rate provided in the documentation for such Senior

Debt (irrespective of whether such interest, fees, charges or other amounts are allowed as a claim in such proceedings) shall have been paid in full in cash.

(b) In any proceedings with respect to any Insolvency Event, or the application of the assets of Maker or other obligor of Subordinated Debt to the payment or liquidation thereof, or upon the dissolution or other winding up of the business of Maker or other obligor of Subordinated Debt or upon the sale of all or substantially all of the assets of Maker or other obligor of Subordinated Debt, then, and in any such event, (i) the Senior Lenders shall be entitled to receive full and indefeasible payment and satisfaction in cash of the Senior Debt prior to the payment of all or any part of the Subordinated Debt by Maker or other obligor of Subordinated Debt, and (ii) any payment or distribution of any kind or character from Maker or other obligor of Subordinated Debt of its assets, whether in cash, securities or other property, which shall be payable or deliverable upon or with respect to any or all of the Subordinated Debt, shall be paid or delivered directly to the Senior Lenders for application to the Senior Debt in accordance with the priorities thereof, due or not due, until such Senior Debt shall have first been fully and indefeasibly paid in cash and satisfied and all financing arrangements terminated. Holder irrevocably authorizes, empowers and directs all receivers, trustees, liquidators, custodians, conservators and others having authority in the premises to effect all such payments and distributions, and Holder also irrevocably authorizes, empowers and directs the Senior Lenders to demand, sue for, collect and receive every such payment or distribution for the benefit of the Senior Lenders. Any amounts collected or received by the Senior Lenders pursuant to the authority granted hereby, shall be applied to the Senior Debt in accordance with the priorities thereof,

due or not due, until such Senior Debt shall have first been fully and indefeasibly paid in cash and satisfied and all financing arrangements terminated. Holder agrees to execute and deliver to the Senior Lenders all such further instruments confirming the authorization referred to in the foregoing clause and agrees not to initiate or prosecute or encourage any other person to initiate or prosecute any claim, action or other proceeding challenging the enforceability of the Senior Debt or any liens and security interests securing the Senior Debt. Holder agrees to execute, verify, deliver and file any proofs of claim in respect of the Subordinated Debt requested by the Senior Lenders in connection with any such proceeding and hereby irrevocably authorizes, empowers and appoints the Senior Lenders its agent and attorney-in-fact to (i) execute, verify, deliver and file such proofs of claim upon the failure of Holder promptly to do so (and, in any event, prior to 30 days before the expiration of the time to file any such proof) and (ii) vote such claim in any such proceeding upon the failure of Holder to do so prior to 15 days before the expiration of the time to vote any such claim; provided that the Senior Lenders shall not have any obligation to execute, verify, deliver, file and/or vote any such proof of claim. The Senior Debt shall continue to be treated as Senior Debt and the provisions of this Note shall continue to cover the relative rights and priorities of the Senior Lenders, on the one hand, and Holder, on the other hand, even if all or part of the Senior Debt or the security interests securing the Senior Debt are subordinated, set aside, avoided or disallowed in connection with any such proceeding and each Senior Lender's rights under Section 3 of this Note shall be reinstated if at any time any payment of any of the Senior Debt is rescinded or must otherwise be returned by the Senior Lenders.

(c) Except for payments of interest in kind as set forth in Section 1 of this Note and reductions to the principal of this Note on account of Setoff Amounts from time to time in accordance with the Purchase Agreement, no holder of the Subordinated Debt will, except as otherwise expressly agreed to by the Senior Lenders in writing, ask, demand, sue for or otherwise act to collect (including without limitation by commencing or joining any litigation or any proceeding relating to any Insolvency Event), take, accept or receive from Maker or other obligor of Subordinated Debt, by set off or in any other manner, the whole or any part of the Subordinated Debt (whether such amounts represent principal or interest, or obligations which are due or not due, including costs, fees and expenses with respect to the Subordinated Debt, direct or indirect, absolute or contingent), including, without limitation, the taking of any negotiable instruments evidencing such Subordinated Debt or any security for any Subordinated Debt, unless and until all Senior Debt, whether now existing or hereafter arising directly between Maker (or other obligor of Subordinated

Debt) and any Senior Lenders, or acquired outright, conditionally or as collateral security from another by any Senior Lenders, shall have been fully and indefeasibly paid in full in cash and satisfied and all financing arrangements and commitments between Maker and all holders of the Senior Debt have been terminated.

(d) The holders of Senior Debt may, at any time, in their discretion, renew, amend, extend, increase, restate, refinance or otherwise modify the terms and provisions of the Senior Debt so held or exercise or release any of their rights under the Senior Debt including, without limitation, the waiver of defaults thereunder and the amendment of any of the terms or provisions thereof (or any notice evidencing or creating the same), or the release, exchange or substitution of collateral securing, or guarantees or guarantors supporting, all or any portion of the Senior Debt, all without notice to or assent from Holder.

No compromise, alteration, amendment, renewal, restatement, refinancing or other change of, or waiver, consent or other action in respect of any liability or obligation under or in respect of, any terms, covenants or conditions of the Senior Debt (or any instrument evidencing or creating the same), whether or not such release is in accordance with the provisions of the Senior Debt (or any instrument evidencing or creating the same), shall in any way alter or affect the enforceability of the subordination provisions of this Note against Holder.

(e) If, notwithstanding the provisions of Section 3 of this Note, any payment or distribution of any kind or character (whether in cash, securities or other property) or any security shall be received by Holder in contravention of this Section 3 and before all the Senior Debt shall have been paid in full in cash and all financing arrangements and commitments under the Senior Debt Documents have been terminated, such payment, distribution or security shall be held in trust for the benefit of, and shall be immediately paid over or delivered or transferred to the Senior Lenders for application of such payment, distribution or security among the holders of Senior Debt pursuant to the terms thereof. Any such payments received by Holder and delivered to the Senior Lenders shall be deemed not to be a payment on this Note for any reason whatsoever and the Subordinated Debt shall remain as if such erroneous payment had never been paid by Maker or received by Holder. In the event of the failure of Holder to endorse or assign any such payment, distribution or security, the Senior Lenders are hereby irrevocably authorized to endorse or assign the same.

(f) Holder shall not take or continue any action, or exercise or continue to exercise any rights, remedies or powers under the terms of this Note, or exercise or continue to exercise any other right or remedy at law or equity that such holder might otherwise possess, to collect any amount due and payable in respect of this Note or other Subordinated Debt or obtain a lien on any assets of the Maker or any other Credit Party or otherwise receive the benefit of any lien on any assets of the Maker or any other Credit Party, including, without limitation, the acceleration of this Note, the enforcement of any liens in, foreclosure, levy, or execution upon, or collection or attachment of any assets of the Maker or any Credit Party, whether by judicial action or otherwise, the filing of any petition in bankruptcy or the taking advantage of any other insolvency law of any jurisdiction. In the event that the Holder obtains any liens in violation of the provisions of this Section 3, any and all of such liens shall in each case be subordinate to the liens on the collateral securing the applicable Senior Debt, and the Senior Lenders are hereby authorized to release any such lien on behalf of the Holder.

(g) Subject to the indefeasible payment in full in cash of all Senior Debt and the termination of all financing arrangements and commitments under the Senior Debt Documents, Holder shall be subrogated to the rights of the Senior Lenders to receive payments and distributions with respect to the Senior Debt until this Note is paid in full. Holder agrees that in the event that all or any part of a payment made with respect to the Senior Debt is recovered from the holders of the Senior Debt in a proceeding with respect to an Insolvency Event or otherwise, any payment or distribution received by Holder with respect to this Note or other Subordinated Debt at any time after the date of the payment that is so recovered, whether pursuant to the right of subrogation provided for in this Note or otherwise, shall be deemed to have

same to the Senior Lenders for application to the Senior Debt until the Senior Debt is paid in full. A payment or distribution made pursuant to this Section 3(g) to the Senior Lenders or any senior lender which otherwise would have been paid to or retained by Holder is not, as between Maker and Holder, a payment by Maker to or on account of the Senior Debt.

(h) Holder, in its capacity as a creditor, and by its acceptance of this Note, covenants and agrees that it will not, and will not encourage any other individual or entity to, at any time, contest the validity, attachment, perfection, priority or enforceability of any Senior Debt and the promissory notes issued pursuant thereto or any guarantees thereof or any of the other Senior Debt Documents, or the liens and security interests granted pursuant thereto. Maker and Holder acknowledge and agree that the Senior Lenders and each of their respective successors and assigns are third party beneficiaries of the provisions of Section 3 of this Note, and the provisions of Section 3 of this Note shall inure to the benefit of and be enforceable by the Senior Lenders and their respective successors and assigns. Notwithstanding anything to the contrary contained in this Note, Maker and Holder agree that, until the indefeasible payment in full in cash of all Senior Debt and the termination of all financing arrangements and commitments under the Senior Debt Documents, this Note shall not be amended, replaced, supplemented or otherwise modified in any manner that is adverse to the interests of the Senior Lenders without the prior written consent of the Requisite Senior Lenders.

(i) Each Holder covenants and agrees that the entirety of such Holder's Subordinated Debt shall continue to be owing only to it; provided that Holder may assign some or all of its interest in the Subordinated Debt after the assignee has executed and delivered an agreement subordinating, in the manner set forth herein, all rights, remedies and interests with respect to the assigned Subordinated Debt.

For purposes of this Section 3, the following capitalized terms have the following meaning.

"Credit Party" has the meaning ascribed to the term "Credit Party", "Borrower", "Guarantor" and/or any other similar term set forth in the applicable Senior Debt Documents.

"Requisite Senior Lenders" means, collectively, (a) the "Required Lenders" under the Senior Loan Agreement and (b) the "Required Lenders" under the Senior Note Purchase Agreement.

"Senior Debt" means (a) all obligations of Maker, Maker's affiliates and each Credit Party under and as described in the Senior Debt Documents and the promissory notes issued pursuant thereto, including, without limitation, principal, premium, interest and other liabilities payable from time to time and similar obligations, interest accruing before and after any event of insolvency at the rate provided in the documentation with respect thereto (irrespective of whether such principal, premium, interest or other liabilities are allowed as a claim in any such proceeding), premiums, penalties, fees, indemnities or expenses, and regardless of whether direct or indirect, now existing or hereafter arising, absolute or contingent, secured or unsecured, or long or short term (including, without limitation, all Obligations or similar term (as defined in the applicable Senior Debt Documents)), (b) all obligations arising under guarantees executed by Maker or any of its affiliates of items described in (a) above, and (c) all renewals, extensions, refundings, refinancings, deferrals, restructurings, amendments and modifications of the items described in (a) and/or (b) above.

"Senior Debt Documents" means the Senior Loan Agreement and all other related loan and collateral documents, and the Senior Note Purchase Agreement, and all other related loan and collateral documents (if any), in each case as amended, restated, replaced, refinanced, supplemented or otherwise modified from time to time.

"Senior Loan Agreement" means that certain Credit Agreement, dated as of December 23, 2021, by and among TTG Imaging Solutions, LLC, a Delaware limited liability company, as Borrower, TTG Holdings, LLC, a Delaware limited liability company, as Holdings, the other Credit Parties, the Lenders party thereto and NXT Capital, LLC, as Agent, as in effect on the date hereof and as may be further amended, restated, replaced, refinanced, supplemented or otherwise modified from time to time.

"Senior Note Purchase Agreement" means that certain Note Purchase Agreement, dated as of December 23, 2021, by and among TTG Imaging Solutions, LLC, a Delaware limited liability company, as Borrower, TTG Holdings, LLC, a Delaware limited liability company, as Holdings, the other Credit Parties, the Lenders party thereto and Brookside Mezzanine Fund IV, L.P. and Sentinel Junior Capital I,

L.P., a Delaware limited partnership, collectively, as Lenders, as in effect on the date hereof and as may be further amended, restated, replaced, refinanced, supplemented or otherwise modified from time to time.

"Subordinated Debt" means (a) all indebtedness under this Note, including, without limitation, principal, premium, interest and other liabilities payable from time to time and similar obligations, premiums, penalties, fees, indemnities or expenses, and regardless of whether direct or indirect, now existing or hereafter arising, absolute or contingent, secured or unsecured, or long or short term, (b) all obligations arising under guarantees executed by Maker or any of its affiliates of items described in (a) above, and (c) all renewals, extensions, refundings, refinancings, deferrals, restructurings, amendments and modifications of the items described in (a) and/or (b) above.

4. Covenants of Maker.

(a) Maker will not defer, extend or postpone the date that payment of principal and interest is due under this Note without the prior written consent of Holder.

(b) Until this Note is paid in full, Maker will not make any distribution or pay any dividend to holders of equity interests of Maker except for tax distributions.

(c) Until this Note is paid in full, Maker shall provide five business days' notice to Payee prior to the incurrence of any additional material third party indebtedness outside the ordinary course of business. For the avoidance of doubt, this Section 4(c) shall not apply to capital leases or to drawdowns on revolving credit facilities made in the ordinary course of business.

(d) Until this Note is paid in full, upon reasonable notice, Maker shall provide Holder with reasonable access to financial books and records of Maker and its subsidiaries as reasonably required to evaluate Maker's ability to pay amounts due under this Note.

5. Miscellaneous.

(a) All notices to be delivered hereunder shall be delivered in accordance with, and subject to, Section 8.04 of the Purchase Agreement.

(b) Presentment for payment, performance, demand, protest and notice of demand, non-performance, acceleration, protest and non-payment are hereby waived by Maker, all other parties hereto and all other persons bound on this obligation, whether primarily or secondarily liable as principals, sureties, guarantors, endorsers or otherwise. No failure to accelerate the indebtedness evidenced hereby by reason of an event of default hereunder, acceptance of a past-due installment or other indulgences granted from time to time shall be construed as a novation of this Note or as a waiver of such right of acceleration or of the right of Holder thereafter to insist upon strict compliance with the terms of this Note or to prevent the exercise of such right of acceleration or any other right granted hereunder or by applicable law. No

extension of the time for payment of the indebtedness evidenced hereby or any installment due hereunder, made by agreement with any person now or hereafter liable for payment of the indebtedness evidenced hereby, shall operate to release, discharge, modify, change or affect the original liability of Maker hereunder or that of any other person now or hereafter liable for payment of the indebtedness evidenced hereby, either in whole or in part, unless Holder agrees otherwise in writing. This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

(c) This Note is intended to bind and inure to the benefit of and be enforceable by Maker, Holder and their respective successors and assigns. Holder may not sell, assign, pledge, dispose of or otherwise transfer all or any portion of this Note or any of the indebtedness represented hereby without the prior written consent of Maker. Maker may not assign its rights and obligations hereunder without the prior written consent of Holder.

(d) This Note is intended as a contract (for money due) under and shall be construed and enforceable in accordance with the laws of the State of Delaware, except to the extent that federal law may be applicable to the determination of the Interest Rate.

(e) This Note may be executed by facsimile or electronic mail (pdf) transmission and in several

counterparts, each of which shall constitute an original but together will constitute a single document binding on all parties, notwithstanding the fact that all parties have not signed the original or the same counterpart. Any counterpart signed by the party against whom enforcement of this Note is sought shall be admissible into evidence as an original of this Note to prove its contents.

[Signature page follows.]

IN WITNESS WHEREOF, Maker and Payee have executed and delivered this Note under seal as of the date first stated above.

MAKER:

TTG HOLDINGS, LLC

By: /s/ Matthew Mastarone

Name: Matthew Mastarone

Title: President and Chief Executive Officer

[Signature Page to Promissory Note]

PAYEE:

STAR EQUITY HOLDINGS, INC.

By: /s/ Richard K. Coleman, Jr.

Name: Richard K. Coleman, Jr.

Title: Chief Executive Officer

[Signature Page to Promissory Note]

**LEASE AGREEMENT
BY AND BETWEEN**

**PASTURE DRIVE HOLDINGS LLC (“LANDLORD”)
AND**

ALLIANCE DRILLING TOOLS LLC (“TENANT”)

FOR SPACE AT: 101-107 Pasture Dr, Evanston, WY 82930

Dated: February 26, 2026

101-107 Pasture Dr, Evanston, WY

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101-107 Pasture Dr, Evanston, WY

DocuSign Envelope ID: 86AF655D-A4F4-4029-9374-F694C7A195DB

DATA SHEET

Landlord: PASTURE DRIVE HOLDINGS LLC

Address of Landlord: 75 E Third Street
Sheridan, WY 82801

Attn: Chief Executive Officer

Address for Payment of Rent: 75 E Third Street
Sheridan, WY 82801
Attn: Steven Fishbach

Tenant: Alliance Drilling Tools LLC

Address of Tenant:

Premises Address: 101-107 Pasture Dr, Evanston, WY 82930

Minimum Rent: See Section 3

Operating Expenses: Tenant to pay 100%

Term: Twenty (20) years with four (4) separate renewal options for five (5) years each

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101-107 Pasture Dr, Evanston, WY-V2

DocuSign Envelope ID: 86AF655D-A4F4-4029-9374-F694C7A195DB

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease"), made and entered into as of the February 26, 2026 (the "Effective Date") by and between PASTURE DRVIE HOLDINGS, LLC, a Wyoming limited liability company ("Landlord"), and ALLIANCE DRILLING TOOLS LLC, a Wyoming limited liability company ("Tenant").

WITNESSETH:

WHEREAS, Landlord has entered into, or concurrently herewith will enter into, a purchase agreement (the "Purchase Agreement") to acquire that certain real property located at 101-107 Pasture Dr, Evanston, WY 82930 (the "Property"), as more particularly described on Exhibit A, together with all improvements thereon and appurtenant rights thereto including, without limitation, parking areas, easements, declarations and rights of way; and

WHEREAS, Landlord desires to demise, lease and rent unto Tenant, and Tenant

desires to rent and lease from Landlord the Property of approximately 11.44 total acres, consisting of approximately 24,780 square feet (the "Building") and all improvements belonging to Landlord thereon and appurtenant rights thereto including, without limitation, parking areas, easements, declarations and rights of way as shown on the site plan attached as Exhibit B; and

WHEREAS, Tenant shall lease and occupy the Property and Building (collectively, the "Premises"); and

NOW, THEREFORE, for and in consideration of the mutual covenants, promises and agreements herein contained, Landlord does hereby demise, lease and rent unto Tenant and Tenant does hereby rent and lease from Landlord the Premises, under and pursuant to the following terms and conditions:

1. Demise; Premises. Landlord hereby leases to Tenant, and Tenant hereby hires from Landlord, the Premises and all easements and appurtenances related thereto, for the rents, covenants and conditions (including limitations, restrictions and reservations) hereinafter provided.
2. Term and Delivery of Premises.

2.1 **Term.** The term of this Lease shall be for twenty (20) years (the "Term") and shall commence upon the Effective Date. The expiration date of the Term shall be the last day of the 240th month following the Commencement Date (the "Termination Date"), unless the Term is renewed in which event the Termination Date shall extend to the end of such exercised renewal period(s). Each full 12-month period beginning on the first day of the month in which the Commencement Date occurs or any anniversary thereof shall be called a "Lease Year."

2.2 Actual Possession Date; Delay in Delivery.

(a) Landlord shall deliver possession of the Premises to Tenant on the Commencement Date.

(b) If for any reason Landlord fails to deliver or offer to deliver physical possession of the Premises to Tenant, this Lease shall not be void or voidable, nor shall Landlord be liable to Tenant for any loss or damage resulting from the failure to deliver possession, except as expressly provided herein. Tenant's taking possession of the Premises or any portion thereof shall be conclusive evidence that the Premises are in the condition required by this Lease and in good order and satisfactory condition.

3. Rent. Beginning on the Commencement Date, Tenant shall pay as initial annual base rent ("Minimum Rent") as set forth in the schedule below (Minimum Rent shall increase 2.50% annually during the Term and any Renewal Term). Tenant shall pay such Minimum Rent in monthly installments, in advance, on the first day of each calendar month during the Term, such monthly installment and any Additional Rent or other charges to be prorated for any partial calendar month in which the Commencement Date or Termination Date occurs without deduction, offset or setoff, except as expressly provided herein. All amounts (unless otherwise provided herein) other than Minimum Rent and the adjustments thereto described in this Section 3 and Section 4 below owed by Tenant to Landlord hereunder shall be deemed "Additional Rent". The Minimum Rent and Additional Rent are sometimes herein collectively referred to as "Rent".

Year	Monthly	Annual
1	\$ 12,390.00	\$ 148,680.00
2	\$ 12,699.75	\$ 152,397.00
3	\$ 13,017.24	\$ 156,206.93
4	\$ 13,342.67	\$ 160,112.10
5	\$ 13,676.24	\$ 164,114.90
6	\$ 14,018.15	\$ 168,217.77
7	\$ 14,368.60	\$ 172,423.22
8	\$ 14,727.82	\$ 176,733.80
9	\$ 15,096.01	\$ 181,152.14
10	\$ 15,473.41	\$ 185,680.95
11	\$ 15,860.25	\$ 190,322.97
12	\$ 16,256.75	\$ 195,081.04
13	\$ 16,663.17	\$ 199,958.07
14	\$ 17,079.75	\$ 204,957.02
15	\$ 17,506.75	\$ 210,080.95
16	\$ 17,944.41	\$ 215,332.97
17	\$ 18,393.02	\$ 220,716.30
18	\$ 18,852.85	\$ 226,234.20

19	\$	19,324.17	\$	231,890.06
20	\$	19,807.28	\$	237,687.31

Except as otherwise provided in this Lease, it is the intention of the parties that Landlord shall receive Minimum Rent, Additional Rent and all other sums payable by Tenant under this Lease free of all taxes, expenses, charges, damages and deductions of any nature whatsoever (except as otherwise provided herein). Tenant shall, however, be under no obligation to pay principal or interest on any mortgage on the fee of the Premises, nor any income, franchise, margin, inheritance, estate, excise, or gift taxes, that are or may be payable by Landlord.

If Landlord does not receive any payment of Minimum Rent or Additional Rent on or before the fifth (5th) business day following the day it is due, then Tenant shall pay a late fee ("Late Fee") equal to 5% of the amount overdue, to compensate Landlord for the loss of the use of the amount not paid and the administrative costs caused by the delinquency. In addition, Interest shall accrue on all sums not paid on or before the tenth (10th) day following the day it is due hereunder at the lesser of: (a) the highest rate allowed by law or (b) an interest rate equal to the Prime Rate as published in The Wall Street Journal from time to time plus 2%, from the due date until paid (the "Default Rate"). The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder.

Notwithstanding anything contained herein to the contrary, should Tenant receive proceeds of business interruption insurance directly applicable to the Rent, Tenant shall remit such proceeds to Landlord and such proceeds shall offset and be applied against the Deferred Rent, or if such proceeds are not directly applicable to the Rent, then Tenant shall remit such proceeds to Landlord and such proceeds shall offset and be applied against the Deferred Rent in an equitable portion based upon the amount that such proceeds bear to Tenant's total business interruption expenses that are not otherwise covered by other commercial insurance then carried, as reasonably determined by Tenant, with any remaining Deferred Rent to continue to be deferred and payable in accordance with this Section 34.

Except as otherwise specifically provided in this Lease, no abatement, diminution or reduction (a) of Minimum Rent, Additional Rent, charges or other compensation, or (b) of Tenant's other obligations hereunder shall be allowed to Tenant or any person claiming under Tenant, under any circumstances or for any reason whatsoever.

4. Renewals. Tenant shall have the right and option to renew this Lease for four (4) additional periods of five years each, next immediately ensuing after the expiration of the initial Term and the subsequent renewal period by notifying Landlord in writing not more

than 24 months and not less than 12 months before the expiration of the immediately preceding initial Term or subsequent renewal Term of Tenant's intention to exercise its option to renew. In the event Tenant so elects to extend this Lease, then, for such extended period of the Term, all of the terms, covenants and conditions of this Lease shall continue to be, and shall be, in full force and effect during such extended period of the Term with Rent being as set forth in Section 3 above. Notwithstanding the foregoing, the renewal options described above shall be null and void and of no further force or effect if any of the following have occurred: (i) Tenant has assigned this Lease or sublet all of the

Premises, notwithstanding the fact Landlord may have consented to such assignment or subletting; (ii) a default has occurred and is continuing, either at the time Tenant exercises the renewal option or at the time the renewal term is scheduled to commence; or (iii) Tenant has vacated the Premises.

5. Use of Premises. Subject to all applicable Laws, Tenant may occupy and use the Premises during the Term for purposes of the operation of its business and related office, administrative uses, and storage purposes (the "Permitted Use") and Tenant agrees not to use the Premises for any other purpose or any immoral or unlawful purpose. From and after the Rent Commencement Date, but subject to temporary closures necessitated by casualty, condemnation, and permitted remodeling, Tenant shall operate continuously and uninterruptedly in the entire Premises the business which it is permitted to operate under the provisions of this Lease.

Tenant shall not commit any waste or any public or private nuisance upon the Premises. Tenant shall not commit any acts on the Premises, nor use the Premises in any manner, other than for its normal business purposes that will increase the existing rates for or cause the cancellation of any fire, liability, or other insurance policy insuring the Premises or the improvements on the Premises or any other insurance related to the Premises. Tenant shall, at Tenant's own cost and expense, comply with all requirements of Tenant and Landlord's insurance carriers that are reasonably necessary for the continued maintenance at reasonable rates of fire and liability insurance policies on the Premises and the improvements on the Premises.

Tenant shall comply with all laws, rules, and orders of all federal, state, and municipal governments or agencies that may be applicable to the Premises and the use of the Premises whether now in existence or hereafter adopted (the "Laws"), wherein non-compliance would have more than a significant impact on the Tenant or Property. Notwithstanding the Permitted Use or any other provision of this Lease, Landlord does not represent, warrant, or covenant in any respect whatsoever that the Permitted Use or any element of Tenant's existing or future operations is or will be permitted under applicable zoning, codes and regulations of any governmental or quasi-governmental authority. Tenant is solely responsible for verifying the same.

6. Assignment/Subletting. Tenant shall not voluntarily or involuntarily or by operation of law, assign, the Premises (including fixtures), or any interest of Tenant in either, in whole or in part over 50%, or sublet the Premises or any part thereof, or permit the

Premises or any part thereof to be used or occupied by others, without Landlord's prior written consent which consent shall not be unreasonably withheld, conditioned or delayed, provided that without the Landlord's consent, Tenant may assign this Lease to an entity ("Assignee"), (a) that is an affiliate of Tenant and Guarantor, so long as the Acceptable Net Worth exists or (b) that acquires, through a bona fide sale all or substantially all of the assets of the Tenant or more than 50% of the equity interest of Tenant, so long as the Acceptable Net Worth and Acceptable DSCR exists. An acceptable net worth will be deemed to exist when on a GAAP consolidated with affiliates basis the Assignee has , at the time of the proposed assignment, a minimum net worth, defined as total assets minus total liabilities in accordance with GAAP, of \$10,000,000 ("Acceptable Net Worth"), An acceptable debt service coverage ratio ("Acceptable DSCR") is one that is not less than 1.2 to 1.00 calculated on a trailing twelve month basis starting with the calendar month preceding the date of the proposed assignment and measured by Assignee's EBITDA divided by Assignee's fixed charges, including all required payments of principal and interest on indebtedness, rent, and other material lease obligations. Assignee must agree to assume in writing the obligations hereunder

and where applicable provide Landlord with documentation supporting the Acceptable Net Worth and Acceptable DSCR calculations referenced above. In considering a proposed assignment that requires the Landlord's consent thereto, it shall not be unreasonable for Landlord to consider (i) the financial condition of the proposed assignee or subtenant as applicable, relative to the financial obligations under the Lease; (ii) the business reputation of the assignee or subtenant, as applicable; (iii) the proposed use of the Premises by the proposed assignee or subtenant, as applicable; and (iv) whether an event of default shall have occurred and be continuing as of the date on which Tenant shall request Landlord's consent to such assignment or subletting. Tenant shall not have the right to hypothecate or collaterally assign its interest on this Lease. Any attempted assignment, transfer, mortgage, encumbrance or subletting without Landlord's consent shall be void, and shall constitute a breach of this Lease.

To review any proposed assignment or sublease, Landlord will require thirty (30) days to review Tenant's submission of (i) the name of the entity receiving such transfer (the "Transferee"); (ii) a detailed description of the business of the Transferee; (iii) audited financial statements of the Transferee; (iv) all written agreements governing the transfer; (v) any information reasonably requested by Landlord with respect to the transfer or the Transferee; and (vi) a fee of One Thousand Dollars (\$1,000.00) to compensate Landlord for certain fees and costs of administration, and other expenses incurred in connection with the review and processing of such documentation. In the event that Landlord consents to Tenant's subletting of the Premises or any part thereof, or the sale, transfer or assignment of its leasehold interest, Tenant agrees to furnish to Landlord an executed copy of the sublease, sale, transfer, or assignment agreement(s) with all amendments and riders within ten (10) days of execution thereof; provided that in no event shall such sublease, sale, transfer or assignment be effective unless the assignee thereof unconditionally assumes all obligations of Tenant under this Lease. At any time within 30 days after service of such notice, Landlord shall notify Tenant that it consents or refuses to consent to the sublease or assignment.

Neither Tenant nor any subsequent tenant whose interest is assigned or divested shall be relieved of liability under this Lease other than by an express release from liability executed in writing by Landlord acting in its sole and absolute discretion. Landlord and Tenant shall split (50/50) any profits paid in connection with a sublease or assignment in excess of Tenant's Minimum Rent obligations hereunder.

Without limiting any of the foregoing provisions of this Section 6, if, pursuant to the U.S. Bankruptcy Code, as the same may be amended from time to time, Tenant is permitted to assign or otherwise transfer its rights and obligations under this Lease in disregard of the restrictions contained in this Section 6, the assignee agrees to provide adequate assurance to Landlord (i) of the continued use of the Premises solely in accordance with the Permitted Use thereof, (ii) of the operation of the business in the Premises in strict accordance with the requirements of this Lease, and (iii) of such other matters as Landlord may reasonably require at the time of such assumption or assignments. Such assignee shall agree that adequate assurance shall mean that any such assignee shall have a net worth (exclusive of good will) equal to or greater than that of the Tenant named herein as of the Commencement Date of this Lease. Such assignee shall expressly assume this Lease by an agreement in writing, in form and content reasonably satisfactory to Landlord, an original counterpart of which shall be delivered to Landlord prior to an assignment of the Lease.

The acceptance of rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting. In the event of default by any assignee of Tenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting any other remedies against Tenant or any other party, but shall be required to notify Tenant at least 5 business days of the default prior to taking any action against Tenant. Landlord may consent to subsequent assignments or subletting of this Lease or amendments or modifications to the Lease by notifying Tenant or any successor in advance, but such action shall not relieve Tenant of any liability under this Lease.

7. Operating Expenses and Utilities.

7.1 **Net Lease.** This Lease is what is commonly called a "Net Lease", it being understood that Landlord shall receive the Rent set forth in this Lease free and clear of any and all impositions, taxes, liens, charges, or expenses of any nature whatsoever in connection with its ownership and leasing of the Premises ("Impositions") as Additional Rent, except those expenses specifically designated in this Lease to be borne by Landlord. In addition to the Rent, Tenant shall pay all impositions, taxes, insurance premiums, operating costs, charges and expenses and all sums due with respect to the Premises under the Restrictions which arise or may be contemplated under any provisions of this Lease during the Term (i) when required to be made hereunder or (ii) if no payment date is specified, by the later to occur of (A) the due date for the next

installment of Rent or (B) ten (10) days from demand. Upon the failure of Tenant to pay any of such Impositions, costs, charges or expenses, Landlord shall have the same rights and remedies as otherwise provided in this Lease for the failure of Tenant to pay Rent. It is the intention of the parties hereto that Tenant shall in no event be entitled to any abatement of or reduction in Rent or Additional Rent payable hereunder, except as expressly provided herein. Landlord and Tenant acknowledge and agree that this Lease is a "true lease" and not a financing lease, capital lease, mortgage, equitable mortgage, deed of trust, trust agreement, security agreement or other financing or trust arrangement, and the economic realities of this Lease are those of a true lease, the business relationship created by this Lease and any related documents is solely that of a long-term commercial lease between Landlord and Tenant and has been entered into by both parties in reliance upon the economic and legal bargains contained herein, and Tenant and Landlord each waive any claim or defense based upon the characterization of this Lease as anything other than as a "true lease".

7.2 Real Estate Taxes. As used herein, the term "Real Estate Taxes" means all taxes and general and special assessments and other impositions in lieu thereof, as a supplement thereto and any other tax which is measured by the value of land and assessed on a uniform basis annually or less than annually against the owners of land, including any substitution in whole or in part therefor due to a future change in the method of taxation, supplemental taxes, assessments (special, escape or otherwise, even if unsecured) including impositions for the purpose of funding special assessment districts, water, sewer, refuse or other rents, rates and charges (including water and sewer charges which are measured by the consumption of the actual user of the item or service for which the charge is made) levies, fees (including license fees) and all other taxes, governmental levies and charges of every kind and nature whatsoever (and whether or not the same presently exist or shall be enacted in the future), in each case assessed against, or allocable or attributable to, or which may during the term be levied, assessed, imposed, become a lien upon or due and payable with respect to, out of or for the Premises and/or any interest of Landlord and/or Tenant (including any legal or equitable interest of Landlord or its mortgagee, if any) in the Premises, whether or not such taxes are a lien upon the Premises, including any excise tax, gross receipts taxes, business taxes, business and occupation taxes but excluding net income or excess profits taxes and any other tax however designated, and whether charged to Landlord, or the Tenant, or to either or both of them, which is imposed on or measured by or based on the rentals to be paid under this Lease, or any estate or interest of Tenant, or any occupancy, use, or possession of the Premises by Tenant and the ownership, leasing, operation, maintenance, alteration or repair of the Premises and accruing during the Term. Real Estate Taxes shall also include interest on installment payments and all costs and fees (including reasonable attorneys' and appraiser's fees) incurred by Tenant in mutual agreement in contesting such taxes and negotiating with public authorities as to the same, but shall not include Landlord's costs and fees to contest and negotiate. Real Estate Taxes shall not include, however, any franchise, estate, inheritance, corporation, succession, gift, transfer, net income or excess profits tax. Tenant shall pay all Real Estate Taxes directly to the collecting authority no less than fifteen (15) days prior to the

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delinquency date thereof and shall provide Landlord written evidence thereof prior to the date that such Real Estate Taxes are due. Notwithstanding the foregoing, upon the occurrence of either of the following events, Tenant shall pay Real Estate Taxes to Landlord on a monthly basis (the "Real Estate Taxes Reserve") in lieu of the applicable collecting authority: (i) delivery to Tenant of a written request therefor from Landlord, or (ii) the existence of any default or breach of this Section 7 by Tenant, or any Event of Default under any provision in this Lease (the foregoing clause (ii) may be hereinafter referred to as a "Real Estate Taxes Reserve Trigger"). If Tenant fails to pay the

appropriate party (Landlord or the collecting authority, as provided herein) all Real Estate Taxes when due hereunder, then Tenant shall, without limiting any other remedies available to Landlord, reimburse Landlord for any and all penalties or interest, or portion thereof, incurred by Landlord as a result of such nonpayment or late payment by Tenant. Landlord agrees either to (i) forward to Tenant in a timely fashion the periodic statements for taxes, or (ii) join with Tenant in the necessary formalities to ensure that such statements are sent directly to Tenant, any delay in notifying Tenant of amounts due and details related thereto, shall extend the time by which Tenant has to comply by the equivalent number of days delayed.

7.3 Utilities. Tenant shall directly pay for all utilities and other services necessary in the operation of the Premises, including but not limited to, gas, fuel oil, electrical, telephone and other utility charges, janitorial services (if Tenant shall contract for such services) and grounds and easement maintenance, and any other service or utility furnished to and or used in or at the Premises for any purpose, from and after the date Landlord shall have delivered the Premises. Tenant shall contract directly with all utility providers such that all utilities for the Premises shall be in Tenant's name. No such interruption, termination or cessation of utility services, except any cessation which would prevent the approved use of the property for over a month period and for which no insurance or other coverage would apply, shall relieve Tenant of its duties and obligations pursuant to this Lease, including, without limitation, its obligation to pay all Rent as and when due hereunder.

7.4 Contest. Tenant, at Tenant's sole cost and expense, may contest the amount or validity of any Imposition described in this Section 7 by appropriate proceedings. However, the Tenant shall promptly pay such Imposition prior to its due date unless such proceedings shall operate to prevent or stay the collection of the Imposition so contested. The Landlord, at the Tenant's sole cost and expense, agrees to join in any such contestation proceedings upon request by Tenant, at no cost to Landlord.

7.5 If Tenant has not paid any Imposition required by this Lease to be paid by Tenant before its delinquency, or if a tax, assessment, or public charge is contested by Tenant and that tax, assessment, or public charge has not been paid by the later of when due or within ten (10) days after a final determination of the validity, legality, or amount of the tax, assessment or public charge, then Landlord may, but shall not be required to, pay and discharge the tax, assessment, or public charge. If an Imposition, including penalties and interest, are paid by Landlord, the amount of that payment shall

be due and payable to Landlord by Tenant with the next succeeding rental installment, and shall bear interest at the rate of ten percent (10%) per annum from the date of the payment by Landlord until repayment by Tenant.

7.6 Personal Property Taxes. Tenant shall pay directly to the applicable taxing authority, prior to delinquency all uncontested taxes assessed against and levied upon the trade fixtures, furnishings, equipment and all other personal property of Tenant contained in the Premises or elsewhere. When possible, Tenant shall cause said trade fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the Premises. Tenant shall also pay, before delinquency, any and all uncontested taxes and assessments, sales, use, business, occupation or other taxes, and license fees or other charges whatever levied, assessed or imposed upon its business operations conducted in the Premises.

8. Landlord's Work. Intentionally Deleted.

9. Trade Fixtures and Signage.

9.1 **Trade Fixtures.** Tenant shall have the right, at any time and from time to time during the Term and any renewals or extensions, at Tenant's sole cost and expense, to install and affix on the Premises items for use in Tenant's business, which Tenant, in Tenant's sole discretion, deems advisable (collectively "Trade Fixtures"), provided that Tenant shall not overload the floors and such installation does not affect structural elements or building systems in any material respect. Trade Fixtures, for which no part of the cost of which shall have been paid by Landlord, installed in the Premises by Tenant shall always remain the property of Tenant and shall be removed at the expiration of the Term or any extension, provided that any damage to the Premises caused by the removal of the Trade Fixtures shall be repaired by Tenant, and further provided that Landlord shall have the right to keep any Trade Fixtures or to require Tenant to remove any Trade Fixtures that Tenant might otherwise elect to abandon. Any Trade Fixtures that are not removed from the Premises by Tenant by the Termination Date shall be deemed abandoned by Tenant and shall automatically become the property of Landlord as owner of the real property to which they are affixed.

9.2 **Signage.** Except as may exist on the Effective Date, Tenant may not place, maintain, nor permit on any exterior door, wall, or window of the Premises any sign, awning, canopy, marquee, or other advertising of a permanent and irremovable nature without the express written consent of Landlord and such consent shall not with unreasonably withheld, delayed or conditioned. All such signs shall comply with all applicable Laws and all Restrictions, and shall be subject to applicable municipal permits. Tenant shall maintain any sign, decoration, or advertising in objectively good appearance and repair at all times during this Lease. At the Termination Date, any of the items mentioned in this Section 9.2 that are not removed from the Premises by Tenant may, without damage or liability, be removed and destroyed by Landlord at Tenant's cost. Nothing in this provision is intended to prevent Tenant from placing or maintaining any

sign, awning, canopy, marquee, or other advertising relating to Tenant's operation, so long as follow all Laws and Restrictions.

10. Tenant Alterations.

10.1 After the date on which Tenant first opens the Premises to the public for business, Tenant may not make alterations, additions or improvements to the Premises including the exterior, the building structure, or the storefront thereof without the prior written consent of the Landlord, such consent not to be unreasonably delayed, withheld or conditioned. Provided, if Tenant wishes at any time during the Term to perform interior, non-structural alterations or improvements, not including repairs, to the Premises that do not affect structural elements or building systems in any material respect (changes to electrical, mechanical or life safety systems shall be deemed to materially affect building systems) and cost, on a per project basis, less than \$50,000.00 ("Minor Alterations"), after at least fifteen (15) days' written notice to Landlord, Tenant shall have the right to make Minor Alterations in compliance with all applicable Laws and Restrictions without obtaining written consent of the Landlord. Any such alterations, additions or improvements to the Premises consented to by Landlord shall, be made by Tenant, Tenant's affiliates, or one or more contractors reasonably acceptable to Landlord. Notwithstanding, if no response is provided within five (5) days after the request is remitted, Landlord consent shall be deemed to have been given. All alterations, additions and improvements (excluding personal property, equipment, signage, and Trade Fixtures of Tenant, no part of the cost of which shall have been paid by Landlord, collectively "Tenant's Property") made by, for or at the direction of Tenant, shall become the property of Landlord and shall remain upon and be surrendered with the Premises as a part thereof at the expiration or earlier termination of this Lease or at such time as Landlord shall re-enter and take possession of the Premises without terminating this Lease pursuant to the provisions of Section 16.2 hereof.

11. Environmental.

11.1 Tenant shall not cause or permit any Hazardous Substances (as defined below), including, without limitation, asbestos to be used, generated, stored or disposed of in, on or under, or transported to or from, the Premises in violation of any applicable local, state, and federal laws, ordinances, statutes, rules, regulations, executive orders, judgments, decrees, case law, and/or other determination of an arbitrator or a court or other governmental authority, in each case applicable to or binding upon such person or any of its property or to which such person or any of its property is subject, whether now in existence or hereafter adopted, relating to Hazardous Substances or otherwise pertaining to the environment, pollution, the protection of the environment or drinking or domestic water supply, including but not limited to laws relating to safe drinking water, emissions, discharges, releases or threatened releases of hazards into ambient air, surface water, ground water, drinking or domestic water supply, or lands

or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, refinement, production, disposal, transport or handling of medical waste and/or other "Regulated Substances" and other state and local Laws relating to protection of human health and the environment (the "Environmental Laws"). To the knowledge of Tenant after due inquiry, Tenant represents and warrants to Landlord that no unremediated violation of Environmental Laws or environmental conditions exists with respect to the Premises prior to the Commencement Date.

11.2 Intentionally Deleted.

11.3 Tenant shall immediately cause to be removed from the Premises such Hazardous Substances placed thereon by Tenant or Tenant's agents, servants, employees, guests, invitees or independent contractors in accordance with good business practices, such removal to be performed by persons or entities duly qualified to handle and dispose of Hazardous Substances. Upon the expiration or earlier termination of this Lease, Tenant shall cause all Hazardous Substances placed on the Premises by Tenant to be removed from the Premises, at Tenant's cost and expense and disposed of in strict accordance with Environmental Laws.

11.4 Tenant hereby agrees to indemnify, defend (by counsel reasonably acceptable to Landlord), and hold Landlord harmless from and against any and all losses, liabilities, including strict liability, damages, injuries, expenses, including reasonable attorneys' fees, costs of any settlement or judgment and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, Landlord by any person or entity or governmental agency including those asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), any so-called Federal, state or local "Superfund" or "Superlien" laws, or any Federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability, including strict liability, or standards of conduct concerning any Hazardous Substance for, with respect to, or as a direct or indirect result of, the presence at, on or under, or the escape, seepage, leakage, spillage, discharge, emission, or release at, on or from, the Premises or the Improvements of any Hazardous Substance (collectively, a "Release"); caused by the conduct of Tenant, its agents, contractors or employees during or prior to the Term; provided, however, that the foregoing indemnity excludes matters arising as a result of (i) the conduct of Landlord, its agents, contractors or employees, (ii) Hazardous Substances at, on or under the Premises as of the Commencement Date whose presence was not caused by the Tenant (any matters arising as a result of the events, circumstances, or conditions described in, and any Hazardous Substances described in, the foregoing clauses (i), (ii), and (iii) are hereinafter collectively referred to as "Non-Tenant Hazardous Substance Matters"). The indemnities set forth in this Section 11 shall survive termination or expiration of this Lease, for a period of six (6) years thereafter. For purposes of this Lease, "Hazardous Substances" shall mean and include those elements or compounds which are contained in the lists of hazardous substances or wastes now or hereafter adopted by the United States Environmental Protection Agency (the "EPA") or the lists of toxic pollutants designated

now or hereafter by Congress or the EPA or which are defined as hazardous, toxic, pollutant, infectious or radioactive by CERCLA or any Superfund law or any Superlien law or any other Environmental Laws.

11.5 Landlord shall have the right but not the obligation, and without limitation of Landlord's rights under this Lease, to enter onto the Premises or to take such

other actions as it deems necessary or advisable to clean up, remove, resolve or minimize the impact of, or otherwise deal with, any Hazardous Substance following receipt of any notice from any person or entity (including without limitation the EPA) asserting the existence of any Hazardous Substance in, on or at the Premises or any part thereof which, if true, would constitute a violation of Environmental Laws and could result in an order, suit or other action against Tenant and/or Landlord; provided, however, Landlord agrees that, except in the case of an emergency, Landlord will take such action only after written notice to Tenant of the alleged existence of Hazardous Substances and the failure by Tenant within a reasonable period of time following receipt of such notice to commence, or the failure by Tenant to thereafter diligently pursue to completion, the appropriate action to clean-up, remove, resolve or minimize the impact of, or otherwise deal with, such Hazardous Substances. All reasonable costs and expenses incurred by Landlord in the exercise of any such rights, to the extent such costs and expenses result from a violation of the covenants and agreements of Tenant contained in the first paragraph of this Section 11, shall be deemed Additional Rent under this Lease and shall be payable by Tenant upon demand. Tenant shall immediately deliver to Landlord copies of all notices made by Tenant to, or received by Tenant from, any state, county, municipal or other agency having authority to enforce any Environmental Law or from the United States Occupational Safety and Health Administration ("Enforcement Agency") concerning environmental matters or Hazardous Substances at the Premises, Building or the land on which the Building is located. Landlord shall promptly deliver to Tenant copies of all notices received by Landlord from any Enforcement Agency concerning environmental matters or Hazardous Substances at the Premises, Building or the land on which the Building is located.

12. Damage to Premises by Fire or Casualty.

12.1 **Notice.** In the event of any material damage to or destruction of all or any part of the Premises or Improvements, Tenant will promptly give written notice thereof to Landlord, which notice shall generally describe the nature and extent of such damage or destruction. There shall be no abatement of or adjustment to Minimum Rent or Additional Rent under this Lease as a result of any damage or partial destruction.

12.2 **Restoration.** In the event of any damage to or destruction of all or any part of the Improvements and whether or not the insurance proceeds on account of such damage or destruction shall be sufficient for the purpose, or in the event of any condemnation of the Premises of the character described in Section 12.2 hereof and

whether or not the proceeds of any award received on account of such condemnation shall be sufficient for such purpose, Tenant, at its sole cost and expense, upon the release of all insurance proceeds to the Tenant, shall promptly commence and shall thereafter diligently and continuously prosecute to completion the restoration, replacement or rebuilding of the Improvements as nearly as practicable to their value as existed immediately prior to such damage, destruction or condemnation so as to permit resumption of the use of the Premises for the Permitted Use to as nearly the same degree as possible (pending completion of the work, such restoration, replacement or rebuilding, together with any temporary repairs and property protection, are herein collectively referred to as "Restoration").

In the event damage to or destruction of a substantial portion of the Improvements occurs within the last twelve (12) months of the Term, Tenant shall have the right, at its election and in lieu of fulfilling its obligations under this Section 13.2, to terminate this Lease upon thirty (30) days' prior written notice to Landlord by paying to Landlord, simultaneously with such notice, all insurance proceeds theretofore received by Tenant on account of any damage or destruction of the Premises or any part thereof and on

on account of any damage or destruction of the Premises or any part thereof and an assignment by Tenant of any right of Tenant to receive additional insurance proceeds on account of any such damage or destruction and Tenant's deductible to such insurance; provided, however, that Tenant shall be entitled to any insurance proceeds payable on account of any damage or destruction of any of Tenant's personal property, including but not limited to Trade Fixtures.

Tenant waives the provisions of any applicable state law which relate to termination of leases when the thing leased is destroyed, which contradict or negate the terms of the Lease.

12.3 Application of Proceeds. Except as otherwise provided in Section 12.2 hereof, insurance proceeds received on account of any damage to or destruction of the Improvements or any part thereof shall be applied to pay for the cost of Restoration. To the extent any such proceeds shall be inadequate to pay such cost, it shall be Tenant's sole cost and obligation to pay all costs of Restoration.

13. Eminent Domain.

13.1 The term "total taking" means the permanent taking of or a voluntary transfer under the threat of the exercise of the right of eminent domain or other authority of all or a portion of the Premises such that it is impossible for Tenant to occupy and operate for the Permitted Use within the Premises in compliance with applicable laws, rules, ordinances and regulations and without undue burden. The term "partial taking" means the taking of only a portion of the Premises which does not constitute a total taking, wherein Tenant can continue to operate its business on the Premises in compliance with applicable laws, rules, ordinances and regulations and without undue burden.

13.2 If a total taking occurs during the Term of this Lease, this Lease will terminate as of the date of the taking. The phrase "date of the taking" means the date of taking actual physical possession by the condemning authority or such earlier date as the condemning authority gives notice that it is deemed to have taken possession.

13.3 If a partial taking of the Premises, then this Lease shall remain in full force and effect and Tenant shall promptly restore the Premises to an architecturally fit unit in accordance with plans approved by Landlord as nearly as reasonably possible to their condition prior to the partial taking and reopen for business, and any proceeds received by Landlord shall be made available to Tenant for such purpose.

13.4 Upon a termination of the lease due to a taking, all compensation and damages awarded for a total or partial taking of the Premises, will belong to Landlord without any participation by Tenant; except for that portion to cover personal property of Tenant; provided, however, if such reimbursement has not been provided for Tenant may make its own claim for any separate award that may be made by the condemner for Tenant's moving expenses, loss of business or for the taking of or injury to Tenant's improvements, or on account of any cost or loss Tenant may sustain in the removal of Tenant's trade fixtures, equipment, and furnishing, or as a result of any alterations, modifications, or repairs which may be reasonably required by Tenant in order to place the remaining portion of the Premises not so condemned in a suitable condition for the continuance of Tenant's occupancy, provided that no such award shall diminish or adversely affect the award to Landlord.

14. Right of Entry by Landlord. Landlord, or any of its agents, shall have the right to enter the Premises during all reasonable hours and upon at least 24 hours prior notice (except in cases of emergency when no such notice shall be required) to inspect the Premises to determine whether Tenant is complying with the terms of this Lease under this Lease, examine the Premises, exhibit the Premises to potential buyers or financiers, or for any other purpose expressed hereunder, or, in the twelve-month period immediately preceding the Expiration Date, to exhibit the Premises to potential tenants. Landlord shall use reasonable efforts and act in good faith to minimize any interfere with Tenant's business or Tenant's use and occupancy of the Premises arising from such entry and any related inspections.

15. Indemnity. Tenant covenants and agrees to pay, defend, indemnify and save harmless Landlord from and against any and all liability, loss, damage, cost, expense (including without limitation all actual and reasonable attorneys' fees and expenses of Landlord), causes of action, suits, claims, demands or judgments of any nature whatsoever based upon, arising from or connected in any manner with (a) injury to or the death of any person or damage to any property occurring on the Premises during the Term from and after the Commencement Date (and during any period after the Term in which Tenant shall remain in possession of the Premises), (b) the use, non-use, condition, possession, construction, operation, maintenance, management or occupation of the Premises or any part thereof during the Term from and after the Commencement Date

(and during any period after the Term in which Tenant shall remain in possession of the Premises), or (c) any negligence, act, omission or intentional misconduct on the part of Tenant or its subtenants, agents, contractors, servants, employees, licensees or invitees. The agreement of indemnification by Tenant set forth in this Section 15 shall not extend to claims for damages arising out of bodily injury to persons or damage to property caused by or resulting from the gross negligence or willful misconduct of Landlord, its agents, contractors, servants, employees, or licensees. Landlord covenants and agrees to pay, defend, indemnify and save harmless Tenant from and against any and all liability, loss, damage, cost, expense (including without limitation all actual and reasonable attorneys' fees and expenses of Tenant), causes of action, suits, claims, demands or judgments of any nature whatsoever based upon, arising from or connected in any manner with the gross negligence or willful misconduct of Landlord or its agents, contractors, servants, employees, licensees or invitees (other than Tenant or its agents, contractors, servants, employees, licensees or invitees). The indemnities set forth in this Section 15 shall survive termination or expiration of this Lease.

Except for actions or omissions which constitute gross negligence, willful misconduct or a breach of this Lease by Landlord or its agents, Landlord shall not be liable to Tenant, its employees, agents, business invitees, licensees, customers, clients, or guests for any damage, injury, loss, compensation or claim, including, but not limited to, claims for personal injury or property damage, or the interruption of or loss to Tenant's business, based on, arising out of or resulting from any cause whatsoever, including, but not limited to: (a) repairs to any portion of the Premises; (b) interruption in Tenant's use of the Premises; (c) any accident or damage resulting from the use or operation (by Landlord, Tenant or any other person or persons) of any equipment within the Premises, including without limitation, heating, cooling, electrical or plumbing equipment or apparatus; (d) the termination of this Lease by reason of the condemnation or destruction of the Premises in accordance with the provisions of this Lease; (e) any fire, robbery, theft, or other casualty; (f) the actions of any other person or persons; and (g) any leakage or seepage in or from any part or portion of the Premises, whether from water, rain or other precipitation that may leak into, or flow from, any part of the Premises, or from drains, pipes or plumbing fixtures in the Premises. Any goods, property or personal effects stored or placed by the Tenant or its employees in or about the Premises shall be at the sole risk of the Tenant.

16. Default and Remedies.

16.1 Tenant Default. The occurrence of any of the following acts, events or conditions, notwithstanding the pendency of any proceeding which has or might have the effect of preventing Tenant from complying with the terms, conditions or covenants of this Lease, shall constitute an "Event of Default" under this Lease:

(a) The Minimum Rent, Additional Rent or any other sum of money payable under this Lease is not paid when due and such failure shall continue for five (5) business days after written notice of such failure of payment; provided that Landlord shall

only be required to provide Tenant with written notice of such monetary default once in any twelve month period. It being intended by the parties hereto that such notice and such grace period shall protect against infrequent unforeseen clerical errors beyond the control of Tenant, and shall not protect against Tenant's lack of diligence or planning in connection with its obligations to make timely payment of Rent, Additional Rent and other amounts due hereunder.

(b) The failure or refusal of Tenant, at any time during the Term, to fulfill

or perform any other covenant, agreement or obligation of Tenant hereunder if such failure or refusal shall continue without correction for a period of thirty (30) calendar days from and after notice thereof to Tenant, provided that if such covenant, agreement or obligation shall be of such nature that it can be fulfilled or performed and if Tenant in good faith commences to fulfill or perform same within said thirty (30) day period, but due to the nature of same it could not be reasonably fulfilled or performed within said thirty (30) day period exercising due diligence, an Event of Default shall not be deemed to have occurred if Tenant is then diligently pursuing the fulfillment or performance of the covenant, agreement or obligation and shall thereafter continuously and diligently proceed therewith until completion, but in no event shall such time period be extended for more than sixty (60) days;

(c) The initiation of any proceeding whereupon the estate or interest of Tenant in the Premises, or any portion thereof, or in this Lease is levied upon or attached if such proceeding is not vacated, discharged or bonded within thirty (30) days after the date of such levy or attachment;

(d) The entry of any decree or order for relief by a court having jurisdiction in the Premises in respect of Tenant or any guarantor of Tenant's obligations ("Guarantor") in an involuntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or other similar law, or the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Tenant or any Guarantor or for any substantial part of the assets of Tenant or any Guarantor, or the entry of any decree or order with respect to winding-up or liquidation of the affairs of Tenant or any Guarantor, if any such decree or order continues unstayed and in effect for a period of sixty (60) days;

(e) The commencement by Tenant or any Guarantor of a voluntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or other similar law, or the consent by Tenant or any Guarantor to the appointment of or possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of Tenant or any Guarantor or for any substantial part of the assets of Tenant or such Guarantor, or any assignment made by Tenant or any Guarantor for the benefit of creditors;

(f) Any sale, assignment, mortgage, pledge, hypothecation or other transfer by Tenant of this Lease or any interest of Tenant hereunder or in the Premises

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or any sublease of the Premises without full compliance with any and all requirements therefor set forth in Section 6 of this Lease;

(g) In the event that following Tenant's initial opening, the Premises ceases to be operated for the Permitted Use or other use allowed hereunder for a period in excess of sixty (60) consecutive days ("Goes Dark") unless such delay in operation is due to renovation or repairs to the Premises or a Force Majeure Event; or

(h) A default occurs under the Guaranty, or any Guarantor files bankruptcy, dissolves or dies.

16.2 Remedies. Upon the occurrence of an unremedied Event of Default, Landlord shall have the option to do and perform any one or more of the following in addition to, and not in limitation of, any other remedy or right permitted it by law or in equity or by this Lease:

(a) Landlord, with or without terminating this Lease, may perform,

correct or repair any condition which shall constitute a failure on Tenant's part to keep, observe, perform, satisfy, or abide by any term, condition, covenant, agreement, or obligation of this Lease, and Landlord may reenter the Premises for such purposes, and Tenant shall fully reimburse and compensate Landlord on demand for all costs and expenses incurred by Landlord in such performance, correction or repair, including, without limitation, accrued interest at the Default Rate.

(b) Landlord, by surrendering this Lease, may immediately or at any time thereafter demand in writing that Tenant vacate the Premises and thereupon Tenant shall vacate the Premises and remove therefrom all property thereon belonging to or placed on the Premises by, at the direction of, or with consent of Tenant within thirty (30) calendar days of receipt by Tenant of such notice from Landlord, whereupon Landlord shall have the right to reenter and take possession of the Premises. Any such demand, reentry and taking possession of the Premises by Landlord shall not of itself constitute an acceptance by Landlord of a surrender of this Lease or of the Premises by Tenant and shall not of itself constitute a termination of this Lease by Landlord.

(c) After an Event of Default shall have occurred for thirty (30) days and be continuing, Landlord, with or without terminating this Lease, may immediately or at any time thereafter reenter the Premises and remove therefrom by summary proceedings or any other lawful manner Tenant and all property belonging to or placed on the Premises by, at the direction of, or with consent of Tenant. Any such reentry and removal by Landlord shall not of itself constitute an acceptance by Landlord of a surrender of this Lease or of the Premises by Tenant and shall not of itself constitute a termination of this Lease by Landlord.

(d) Landlord may continue this Lease in effect after Tenant's breach and abandonment and recover Rent as it becomes due. Accordingly, if Landlord does not

elect to terminate this Lease on account of any default by Tenant, Landlord may enforce all of its rights and remedies under this Lease, including the right to recover all Rent and other sums payable by Tenant hereunder as they become due, so long as Landlord demonstrates reasonable efforts were made to relet the Property for similar Minimum Rent and subject to similar or better conditions then found herein this Agreement, and Landlord was unable to legally rent all or a portion of the Property.

(e)

Landlord, with or without terminating this Lease, may immediately or at any time thereafter relet the Premises or any part thereof for such term or terms (which may be for a term extending beyond the Term), at such rental or rentals and upon such other terms and conditions as Landlord in its reasonable discretion may deem advisable, Tenant shall pay all, reasonable attorneys' fees, reasonable brokerage commissions and lease assumptions; and if this Lease shall not have been terminated, Tenant shall continue to pay all Minimum Rent, Additional Rent and all other charges due under this Lease up to and including, without limitation, the date of beginning of payment of rent by any subsequent tenant of part or all of the Premises, and thereafter Tenant shall pay monthly during the remainder of the Term the difference, if any, between the rent and other charges collected from any such subsequent tenant or tenants and the Minimum Rent, Additional Rent and other charges reserved in this Lease, but Tenant shall not be entitled to receive any excess of any such rents collected over the Minimum Rent and Additional Rent reserved herein, if the Landlord elects to terminate this Lease. In the event Landlord elects to terminate this Lease and Tenant's right to possession, or Tenant's right to possession is otherwise terminated by operation of law, Landlord may recover as damage from Tenant the following: (1) the worth at the time of award of the amount of the unpaid Rent earned hereunder at the date of termination of this Lease; (2) the worth at the time of award of the amount by which the unpaid Rent and other sums due hereunder which would have been earned after the date of termination of this Lease until the time of the award, exceeds the amount of such loss of Rent and other sums due which Tenant proves could have been reasonably avoided; (3) the worth at the time of the award of the amount by which the unpaid Rent and other sums due hereunder for the balance of the Term after the time of award exceeds the amount of the loss of such Rent and other sums which Tenant proves could have been reasonably avoided; (4) Landlord may recover from Tenant, and Tenant shall pay to Landlord upon demand (such demand to include a list of itemized expenses) as Additional Rent, such expenses as Landlord may incur in recovering possession of the Premises, placing the same in good order and condition for reletting, including the cost of any Landlord and Tenant mutually agreed upon tenant improvements installed by Landlord as well as all other expenses, commissions, (including broker's commissions) and charges incurred by Landlord in exercising any remedy provided herein or which result from any default by Tenant hereunder; and (5) any other amount, including attorneys' fees and court costs and unamortized brokers' commissions necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform its obligations under this Lease, or which in the ordinary course of things would be likely to result therefrom.

16.3 Reentry by Landlord. If Landlord reenters the Premises or terminates this Lease pursuant to any of the provisions of this Lease, No such reentry or termination shall be considered or construed to be a forcible entry. No reentry or taking possession of the Premises by Landlord or any other action taken by or on behalf of Landlord shall be construed to be an acceptance of a surrender of this Lease or an election by Landlord to terminate this Lease.

16.4 General. No course of dealing between Landlord and Tenant or any failure or delay on the part of Landlord in exercising any rights of Landlord under Section 16 hereof or under any other provisions of this Lease shall operate as a waiver of any rights of Landlord hereunder, at law or in equity or under any other provisions of this Lease, nor shall any waiver of an Event of Default on one occasion operate as a waiver of any subsequent Event of Default or of any other Event of Default. No express waiver shall affect any condition, covenant, rule, or regulation other than the one specified in such waiver and that one only for the time and in the manner specifically stated. The exercise by Landlord of any one or more of the rights and remedies provided in this Lease shall not prevent the subsequent exercise by Landlord of any one or more of the other rights and remedies herein provided. All remedies provided for in this Lease are cumulative and may, at the election of Landlord, be exercised alternatively, successively, or in any other manner and are in addition to any other rights provided for or allowed by law or in equity.

17. Insurance.

17.1 Tenant Insurance. Commencing on earlier of the (a) Commencement Date; or (b) the date Tenant shall commence occupancy of any portion of the Premises, and at all times thereafter through and during the Term, Tenant shall keep the Premises insured against the risks and hazards and with coverage in amounts not less than those specified as follows:

(a) Insurance against loss or damage by fire, earthquake (at Landlord's option or if such coverage is required by Landlord's mortgagee), lightning, vandalism and malicious mischief, and such other perils as are now or may hereafter be comprehended customarily included under "all-risks" policies with respect to improved properties similar to the Premises in an amount equal to the "full insurable value" (which as used herein shall mean the full replacement value, including the costs of debris removal, which amount shall be determined annually) of the Improvements. Tenant shall be entitled to carry a deductible of up to \$10,000.00 in connection with said coverage provided Tenant self-insures for the amount of the deductible. Tenant hereby further agrees that Tenant will obtain an "agreed amount" endorsement with respect to such insurance so as to prevent either Landlord or Tenant from becoming a co-insurer of any loss. Notwithstanding the foregoing, at any time Landlord may provide written notice to tenant that Landlord will carry the insurance coverage described in this subsection (a) and thereafter Tenant shall reimburse Landlord for the premiums for such coverage within ten (10) days after receipt of invoice therefor.

(b) Commercial general liability and property damage insurance (including, but not limited to, coverage for any construction, reconstruction or alteration by or at the instance of Tenant on or about the Premises) covering the legal liability of Tenant and Landlord against all claims for any bodily injury or death of persons and for damage to or destruction of property occurring on, in or about the Premises and the adjoining streets, sidewalks and passageways in combined single limits for both property damage and personal injury and in the minimum amount, during the period from the date of this Lease to the day immediately preceding the fifth (5th) anniversary of the Rent

Commencement Date, of Three Million and No/100 Dollars (\$3,000,000.00) in connection with any single occurrence. Said coverage may be provided through a combination of primary and umbrella coverage, provided that Tenant's primary coverage shall have a minimum amount of not less than Two Million and No/100 Dollars (\$2,000,000.00). Tenant shall be entitled to carry a deductible of up to \$10,000.00 in connection with the said coverage provided Tenant self-insures for the amount of the deductible. Commencing on the fifth (5th) anniversary of the Rent Commencement Date, and continuing thereafter on the fifth (5th) anniversary of the previous "Adjustment Date" (as hereinafter defined) during the Term (each of such dates being referred to in this Section 10.01 as an "Adjustment Date"), the aforesaid minimum amount of insurance coverage shall be increased to the amount equal to the initial minimum amount set forth above increased at the rate of three percent (3%) per annum compounded on each anniversary of the Rent Commencement Date throughout the Term.

(c) Business interruption insurance covering losses resulting from any interruption of Tenant's business in an agreed amount equal to at least twelve (12) months of all Rent payable under this Lease and shall contain an agreed amount endorsement waiving any coinsurance penalty.

(d) Workers' compensation insurance, in a form prescribed by the laws of the state in which the Premises is located, and employers' liability insurance.

(e) In addition, Tenant shall, at Landlord's request, provide, keep and maintain in full force and effect such other insurance for such risks as is determined by Landlord in its reasonable discretion consistent with then customary practices of comparable tenants operating for comparable purposes from comparable premises in the vicinity of the Premises.

17.2 Requirements. All insurance required under Section 17 hereof shall be reasonably satisfactory to Landlord in all respects and shall expressly provide (a) an effective waiver by the insurer of all rights of subrogation against any named insured and against such insured's interest in the Premises and against any income derived therefrom, (b) that no cancellation, reduction in amount or material change in coverage thereof shall be effective unless Landlord and Tenant shall have been given at least thirty (30) days advance written notice thereof, and (c) that during construction, reconstruction, alteration or material remodeling of any Improvements on the Premises by Tenant such policies shall be in "builder's risk" form if there would be an exclusion of coverage under Tenant's

all-risks policy as a result of such construction, reconstruction, alteration or material remodeling. A copy of each policy or of a reasonably acceptable certificate of insurance in force, issued by the insurer as provided in Section 17.1 hereof, shall be delivered to Landlord on or before the date Tenant is required to obtain the applicable insurance, and with respect to renewal or replacement policies, not less than thirty (30) days prior to expiration of the policy being renewed or replaced. Tenant may obtain the insurance required hereunder by endorsement on its blanket insurance policies, provided that said policies fulfill the requirements of this Section 17.2 that said policies reference the Premises, and that Landlord receives satisfactory written proof of coverage. Tenant shall permit Landlord to examine all policies evidencing the insurance required to be maintained by Tenant under this Lease. Nothing contained in this Lease shall be construed to require Landlord to prosecute any claim against any insurer or to contest any settlement proposed by any insurer. To the extent of the amount of insurance or self-insurance required to be maintained by Tenant, Tenant hereby releases Landlord, its agents and employees from any liability for damage to property or injury to persons, regardless of the cause of such damage or injury.

17.3 Certificates. Within fifteen (15) days after receipt of written request from Landlord, Tenant shall deliver to Landlord a certificate addressed to Landlord, signed by Tenant, and dated within thirty (30) days prior to the delivery thereof, which lists the insurers and policy numbers evidencing all the insurance then required to be maintained by Tenant hereunder, and which warrants that said insurance is in full force and effect and that such insurance and the policies evidencing the same comply with the requirements of this Lease. In the event that Tenant fails to obtain, maintain or renew any insurance provided for in this Article 17 or to pay the premiums therefor, or to deliver to Landlord any of such certificates, Landlord may, but shall not be obligated to, procure such insurance, pay the premiums therefor or obtain such certificates and any costs or expenses incurred by Landlord for such purposes shall be Additional Rent hereunder and shall be immediately paid by Tenant to Landlord upon demand by Landlord, with Interest thereon at the Default Rate.

17.4 Landlord's Insurance. During the Term, Landlord may, but shall not be obligated to, procure and maintain with respect to the Premises a policy of commercial liability insurance in a minimum amount of \$1,000,000.00 per claim and \$3,000,000.00 in the aggregate for both bodily injury and property damage insuring Landlord's activities with respect to the Premises and the Building for loss, damage or liability for personal injury or death of any person or loss or damage to property occurring in, upon or about the Premises or the Building. Tenant shall reimburse Landlord for the cost of such insurance as Additional Rent.

17.5 Waiver of Subrogation. Tenant and Landlord each hereby waive any and all rights of recovery against the other, or against the officers, employees, agents and representatives of the other, for loss of or damage to such waiving party or its property or the property of others under its control to the extent that such loss or damage is insured against under any insurance policy in force at the time of such loss or damages. Tenant

shall, upon obtaining the policies of insurance required hereunder, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

18. Tenant's Maintenance Responsibilities. Tenant shall be responsible for maintaining, repairing, and replacing the systems and structures in and on the Premises, including, but not limited to, all improvements, signs, the parking lot, landscaping, and equipment located at the Premises, in accordance with the following:

18.1 Tenant, at all times during the Term, at its expense, shall keep the Premises, including, without limitation, the Premises, in good order, condition and repair. Tenant further agrees to be responsible for maintaining the landscaping surrounding the Building and parking area in accordance with maintenance standards and for snow and ice removal, sweeping and cleaning the entrances to the building in addition to the parking lot, sidewalks, and other improved areas of the Premises. Tenant will provide and maintain vermin-proof receptacles for Tenant's own use in the event refuse is temporarily stored outside of the Building, and Tenant will be responsible for the removal of said refuse and will promptly and strictly comply with all health, sanitary or other laws, regulations and ordinances pertaining to the depositing and removal of such refuse from or about the Premises, including the storage and removal of any medical waste. Tenant shall promptly perform such maintenance and shall promptly make or cause to be made any and all necessary or appropriate repairs, replacements, or renewals (all or any one of which herein referred to as "Repairs"). All Repairs shall be at least equal in quality and class to the original work. The term "Repairs" includes, without limitation, all necessary repairs and replacements of the Premises (including, without limitation, the roofs, all interior and exterior walls, and all structural and non-structural portions of the buildings and other improvements), structural or otherwise, , foreseen and unforeseen, howsoever the necessity for repairs or replacements may occur, and whether or not necessitated by wear, tear, obsolescence or defects, latent or otherwise, including but not limited to the exterior and interior windows, doors and entrances, signs, floor coverings, columns and partitions; plumbing systems, electric systems; and lighting, heating, plumbing and sewerage facilities, storm drainage system, any water retention ponds, and HVAC systems and equipment.

18.2 Landlord shall have the right to approve the plans and specifications for any alterations, additions, improvements, repairs and replacements, if any, to the Premises which are structural in nature or affect the Building systems or the exterior of any improvements, and the estimated cost thereof, which approval shall not be unreasonably withheld or delayed.

18.3 If at any time during the Term, including renewals or extensions, Tenant fails to maintain the Premises or make any repairs or replacements as required by this Section 18 and such repairs or replacements are not in controversy,, Landlord may, but shall not be required to, enter the Premises and perform the maintenance or make the repairs or replacements for the account of Tenant; any sums expended by

Landlord in so doing, , shall be deemed Additional Rent and shall be immediately due from Tenant on demand of Landlord.

18.4 Landlord shall not be required to make any alterations, reconstructions, replacements, changes, additions, improvements, repairs or replacements of any kind or nature whatsoever to the Premises, or any portion thereof, or to any of the Improvements at any time during the Term of this Lease.

19. Brokers. Landlord and Tenant each represent to the other that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease. In the event either party has dealt with any broker such party shall indemnify, defend and hold forever harmless the other party from and against any claim by such broker.

20. Compliance with Laws. Tenant shall and cause the Premises to comply with all laws, rules, and orders of all federal, state, and municipal governments or agencies, and all regulations and guidelines promulgated under or similar to any all of the foregoing, as the same may be amended from time to time, that may be applicable to use of the Premises (collectively, "Laws"), except if such non-compliance would have no material adverse effect on the Premises or the rights of the Landlord. Tenant, at its sole cost and expense, shall comply with all restrictive covenants, conditions, restrictions, declarations, and other title exceptions affecting the Premises, including any declarations, covenant, condition or other restrictions of record (collectively "Restrictions"), and comply with and perform all of the obligations set forth in such Restrictions to the extent that the same are applicable to the Premises or to the extent that the same would, if not complied with or performed, impair or prevent the continued use, occupancy and operation of the Premises for the purposes set forth in this Lease. Notwithstanding the Permitted Use or any other provision of this Lease, Landlord does not represent, warrant or covenant in any respect whatsoever that the Permitted Use or any element of Tenant's existing or future operations is or will be permitted under applicable zoning, codes and regulations of any governmental or quasi-governmental authority. Tenant is solely responsible for verifying the same.

21. Liens. Any work on the Premises performed by or for Tenant hereunder shall be performed subject and pursuant to the provisions of this Lease. Upon completion thereof and Landlord's written request, Tenant shall furnish Landlord with lien waivers confirming that all contractors, subcontractors, laborers, and materialmen who have performed work on the Premises have been paid in full. Such lien waivers shall be in a form reasonably acceptable to Landlord and in accordance with applicable laws of the State where the Premises are located. Tenant shall pay, when due, all claims for labor or materials furnished to or for Tenant at or for use in the Premises, which claims are or may be secured by any mechanics' or materialmen's lien against the Premises or any interest therein. Tenant shall give Landlord not less than ten (10) days' written notice prior to the commencement of any work in the Premises, and Landlord shall have the right to post notices of non-responsibility in or on the Premises as provided by law. If any such lien or

claim of lien shall at any time be filed against the Premises, or Tenant's interest therein or hereunder, by reason of Tenant's acts or omissions or because of a claim against Tenant or any contractor, subcontractor or materialman of Tenant or any other reason other than by or through Landlord, Tenant shall cause the lien or claim of lien to be canceled and discharged of record by bond or otherwise within thirty (30) days after the earlier of Tenant's actual knowledge thereof or receipt of written notice from Landlord and Tenant shall indemnify and save and hold Landlord harmless from and against any and all costs, liabilities, suits, penalties, claims and demands whatsoever, and from and

against any and all attorneys' fees, at both trial and all appellate levels, resulting or on account thereof and therefrom, including providing a defense for Landlord with counsel reasonably satisfactory to Landlord and Tenant. If Tenant fails to cause such lien or claim of lien to be so discharged or bonded within such period, Tenant shall be in default hereunder, and, in addition to any other right or remedy it may have, the Landlord may, but shall not be obligated to, discharge the same by paying the amount claimed to be due or by procuring the discharge of such lien or claim by deposit in court or bonding, and in any such event, the Landlord shall be entitled, if Landlord so elects, to compel the prosecution of an action for the foreclosure of such lien or claim by the lienor or claimant and to pay the amount of the judgment, if any, in favor of the lienor, with interest, costs and allowances. Tenant shall pay as additional rent on demand any sum so paid by Landlord for the aforesaid purposes with interest as hereinafter provided and all costs and expense incurred by Landlord including, but not limited to reasonable attorney's fees in processing such discharge or in defending any such action. **THE INTEREST OF THE LANDLORD SHALL NOT BE SUBJECT TO LIENS FOR IMPROVEMENTS MADE BY TENANT.**

22. Tenant to Subordinate. This Lease and the rights of Tenant hereunder are and shall be subject and subordinate at all times to any ground lease, mortgage, deed of trust, or other lien created by Landlord, whether now existing or hereafter arising upon the Premises, and to all amendments, modifications, renewals, extensions, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security thereof (collectively, an "Encumbrance"). Notwithstanding anything to the contrary contained herein, any holder of such an Encumbrance (a "Holder") may subordinate, in whole or in part, such Encumbrance to this Lease on such terms and subject to such conditions as such Holder may deem appropriate in its discretion without joinder of Tenant by sending Tenant notice in writing. Tenant agrees within five (5) days of request by Landlord or any Holder to execute and deliver to Landlord or such Holder such further instruments, in form and content acceptable to the requesting party, consenting to or confirming the subordination of this Lease to any Encumbrance now existing or hereafter placed upon the Premises or any part thereof, or attorning to such Holder, and containing such other provisions, as Landlord or such Holder may request. Tenant shall, in the event of the sale or assignment of Landlord's interest in the Premises, or in the event of any proceedings brought for the foreclosure of, or in the event of exercise of the power of sale under, any mortgage or deed of trust made by Landlord covering the Premises, attorn to the purchaser and recognize the purchaser as Landlord under this Lease. The subordination and attornment set forth in this Section are self-

operative and no further instrument of subordination and/or attornment will be necessary unless required by Landlord or the holder of a mortgage or deed of trust. Further, Tenant shall execute and deliver to Landlord and any Landlord's lender, within ten (10) business days after Landlord's written request therefor, an SNDA or other subordination, no disturbance and attornment agreement substantially in the form of Exhibit D hereto or as reasonably requested by Landlord's lender. In the event that the lender, mortgagee, beneficiary, or any other person, acquires title to the Premises pursuant to the exercise of any remedy provided for in the mortgage or deed of trust, this Lease shall not be terminated or affected by said foreclosure or sale, or any such proceeding, and the lender, mortgagee or beneficiary shall agree that any sale of the Premises pursuant to the exercise of any rights and remedies under the mortgage or deed of trust in the nature of a mortgage, shall be made subject to this Lease and the rights of the Tenant hereunder and Tenant's rights arising out of this Lease shall not be enlarged, affected or disturbed, subject to the terms of any SNDA. Tenant agrees to attorn to the lender, beneficiary or such other person as its new landlord, and this Lease shall continue in full force and effect as a direct lease between Tenant and Lender, mortgagee, beneficiary or such other

person, upon all the terms, covenants, and agreements set forth in this Lease. The parties hereto agree to execute or obtain execution of such reasonable documents as may be necessary to effectuate such subordination, non-disturbance, and attornment.

23. Quiet Enjoyment. Subject to the rights of mortgagees and matters of record, Landlord hereby covenants and agrees that so long as Tenant has performed and observed all terms, conditions, covenants or obligations required under this Lease, Tenant shall have quiet enjoyment of the Premises and all appurtenances thereto. Tenant hereby acknowledges and agrees that this covenant and any and all other covenants of Landlord contained in this Lease shall be binding upon Landlord and its successors only with respect to breaches occurring during the ownership of Landlord's interest hereunder.

24. Memorandum of Lease. Following Landlord's acquisition of the Premises, Landlord agrees that Tenant can record a recordable memorandum or notice of this Lease in the form attached as Exhibit G or in form otherwise reasonably satisfactory to Landlord upon Tenant's written request. Tenant shall be responsible for the preparation thereof, recording and the cost of recording the same.

25. Notices. All notices, demands and requests which may be or are required to be given by either party to the other shall be in writing and shall be either (a) sent by registered or certified mail, return receipt requested, postage prepaid, (b) delivered, by hand, or (c) sent by overnight courier such as Federal Express. All notices to Landlord should be addressed to Landlord at the address set forth in the Data Sheet or at such other place as Landlord may from time to time designate in written notice to Tenant. All notices to Tenant shall be addressed to Tenant at the address set forth in the Data Sheet or to any such other place as Tenant may from time to time designate in written notice to Landlord. All notices, demands and requests which shall be served upon Landlord and Tenant in the manner aforesaid shall be deemed sufficiently served or given for all purposes hereunder upon confirmed delivery. Notwithstanding anything contained in this

Lease to the contrary, any written notice by either Landlord or Tenant to the other party may be transmitted by email, and that the email copies of such party's signature shall have the same effect as if it were an original signature, provided that the party providing such notice obtains a delivery confirmation email.

26. Estoppel Certificate. Each of Landlord and Tenant agrees at any time and from time to time upon not less than 10 business days' prior written request by the other to execute, acknowledge and deliver to the other an estoppel certificate certifying that (a) this Lease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications), (b) the dates to which Rent and other charges have been paid in advance, if any, (c) to such party's knowledge, all of the defaults of Landlord or Tenant hereunder, if any, (and if there are no defaults a statement to that effect), and (d) any other information reasonably requested, it being intended that any such estoppel certificate delivered pursuant to this Section 26 may be relied upon by any prospective purchaser of the Premises or any mortgagee or assignee of any mortgage upon the fee or leasehold of the Premises or by any prospective assignee of this Lease or subtenant of the whole or any portion of the Premises and/or by other party interested in the Premises or any part thereof.

27. Landlord's Sale of the Building. Landlord may, at any time, without the prior consent of Tenant, contract to and/or perform any of the following transactions with respect to an interest in Landlord, the Lease, the Premises, the realty underlying the Premises, and/or any portion of or interest in the realty or improvements owned or hereafter acquired by Landlord: sale, purchase, exchange, transfer, assignment, lease, conveyance (collectively referred to herein as "Sale"); and/or encumbrance, pledge, mortgage, deed of trust, hypothecation or sale and leaseback transaction (collectively referred to herein as "Mortgage"). From and after a Sale, Landlord shall be released from all liability to Tenant and Tenant's successors and assigns arising from this Lease because of any act, occurrence or omission of Landlord occurring after such Sale, and Tenant shall look solely to Landlord's successor in connection with the same. The obligations contained in this Lease to be performed by Landlord shall, except as aforesaid, be binding on Landlord's successors and assigns only during their respective periods of ownership. Tenant agrees to and shall look solely to Landlord's interest in the Premises, including the property itself as well as rents and profits therefrom, for the satisfaction of any liability, duty or obligation of Landlord with respect to this Lease or the relationship of Landlord and Tenant hereunder, and no other assets of Landlord, its members, partners, affiliates, employees, agents, successors and assigns shall be subject to any liability therefor. In no event shall Tenant seek, and Tenant does hereby waive any recourse against Landlord's individual members, partners, shareholders, employees, or agents of Landlord or any of their personal assets for such satisfaction.

Any provision, term or condition of this Lease which is or which may appear to be to the contrary notwithstanding, Landlord shall, at all times and from time to time after the date of this Lease, have the express right, power and privilege of pledging, conveying, assigning or mortgaging Landlord's fee simple title in and to the Premises and/or

Landlord's reversionary right to the Improvements, for the purpose of obtaining financing, credit, or as security for any financing or extension of credit.

28. Intentionally deleted.

29. Landlord's Liability. In no event shall Landlord be in default hereunder unless it has failed to cure such default within thirty (30) days after written notice (or if more than thirty (30) days shall be required because of the nature of the default, if Landlord shall fail to proceed diligently to cure such default after written notice); provided that in any event: (i) Tenant shall have no right to offset or abate rent in the event of any default by Landlord under this Lease, except to the extent offset rights are specifically provided to Tenant in this Lease; (ii) Tenant shall have no right to terminate this Lease; and (iii) Tenant's rights and remedies hereunder shall be limited to the extent (A) Tenant has expressly waived in this Lease any of such rights or remedies and/or (B) this Lease otherwise expressly limits Tenant's rights or remedies. It is expressly understood and agreed that any money judgment resulting from any default or other claim arising under this Lease shall be satisfied only out of Landlord's interest in the Premises, and no other real, personal or mixed property of Landlord (the term "Landlord" for purposes of this Section only shall mean any and all partners, both general and/or limited, officers, directors, shareholders and beneficiaries, if any, who comprise Landlord), wherever situated, shall be subject to levy on any judgment obtained against Landlord. Tenant hereby waives, to the extent waivable under law, any right to satisfy a money judgment against Landlord except from Landlord's interest in the Premises. If such interest is not sufficient for the payment of such judgment, Tenant will not institute any further action, suit, claim or demand, in law or in equity, against Landlord for or on the account of such deficiency. Notwithstanding anything herein contained to the contrary, Tenant hereby waives, to the extent waivable under law, any right to specific performance in the event of Landlord's default referred to herein, and Tenant expressly agrees that except as provided in the immediately following sentence, Tenant's remedy shall be limited to the monetary damages referred to in this Section 32. Notwithstanding the foregoing, in the event of failure by Landlord to give any consent, as provided in this Lease, Tenant's sole remedy shall be an action for specific performance at law, but in no event shall Landlord be responsible in monetary damages for failure to give such consent. In no event shall any partner of Landlord nor any joint venturer in Landlord, nor any officer, director or shareholder of Landlord or any such partner or joint venturer of Landlord be personally liable with respect to any of the provisions of this Lease. Under no circumstances whatsoever shall Landlord ever be liable hereunder for consequential, punitive or special damages.

31. Surrender of Premises. At the expiration of the Term, whether by expiration of time or otherwise, Tenant shall surrender the Premises to Landlord in broom clean condition free of debris and rubbish, excepting damage caused by ordinary wear and tear. All alterations which may be made by Tenant shall be the property of Landlord. Tenant shall remove all Tenant's Property from the Premises no later than the termination or expiration date. Tenant shall, at its sole cost and expense, repair any damage to the Premises or the improvements caused by such removal, including patching and filling

holes, ordinary wear and tear excepted. The Landlord agrees to act in good faith to negotiate and execute an agreement for the benefit of the Tenant or Guarantor's lender, to permit such lender to enter the Premises for purposes of possessing collateral, certain of the personal property of Tenant. Subject to any agreement between the Landlord and Tenant's lender, any of Tenant's Property not removed from the Premises by the date this Lease terminates or expires shall be deemed abandoned and shall thereupon become the property of Landlord. Landlord may possess and dispose of such property. This provision shall apply under all circumstances, including default by Tenant under this

Lease. All costs incurred by Landlord in legally removing and disposing of such Tenant's Property (plus 10%) shall be paid by Tenant within thirty (30) days after delivery to Tenant of an invoice therefor so long as Tenant is provided full access to Tenant's Property before and after the lease termination. .

32. Holding Over. In the event Tenant remains in possession of the Premises after the expiration of the Term, or any extensions hereof without the written consent of Landlord, this Lease shall continue on a month-to-month basis, and not a renewal of this Lease, nor an extension for the Term, and shall be terminable by either party upon 30 days' prior written notice and Tenant shall be obligated to pay Rent at 150% the then current rate, with all other sums then payable hereunder prorated on a daily basis for each day that Landlord is kept out of possession of the Premises. Tenant shall during any such holdover period continue to pay any Additional Rent that would otherwise be payable under this Lease. If Tenant fails to surrender the Premises upon the termination of this Lease, then Tenant shall, in addition to any other liabilities to Landlord accruing therefrom, indemnify and hold Landlord harmless from any losses or damages suffered by Landlord in connection with, or any claims made by, any succeeding tenant arising out of such failure, so long as Landlord gives written notice to Tenant that Landlord and such succeeding tenant have entered into a lease or other agreement for such tenant's use and occupancy of the Premises.

33. Binding Effect. All covenants, agreements, stipulations, provisions, conditions and obligations set forth herein shall extend to, bind and inure to the benefit of, as the case may require, the successors and assigns of Landlord and Tenant respectively, as fully as if any such successor or assign was referenced to wherever reference to Landlord or Tenant, as the case may be, occurs in this Lease.

34. Severability. If any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by Law.

35. Applicable Law. The Laws of the State where the Premises are located shall govern the validity, performance and enforcement of this Lease, without regard to such State's conflict-of-law principles.

36. Force Majeure. Whenever a day is appointed herein on which, or a period of time is appointed within which, either party hereto is required to do or complete any act, matter or thing, excluding any and all payments of amounts due hereunder, the time for the doing or completion thereof shall be extended by a period of time equal to the number of days on or during which such party is prevented from, or is interfered with, the doing or completion of such act, matter or thing because of strikes, lock-outs, embargoes, unavailability of labor or materials, wars, insurrections, rebellions, civil disorder, declaration of national emergencies, acts of God or other causes beyond such party's reasonable control; provided, however, in no event shall the foregoing apply to the financial obligations of either Landlord or Tenant to the other under this Lease.

37. Complete Agreement. Any stipulations, representations, promises or agreements, oral or written, made prior to or contemporaneously with this agreement by Landlord and Tenant shall have no legal or equitable consequences and the only agreement made and binding upon the parties with respect to the leasing of the Premises is contained herein, and it is the complete and total integration of the intent and understanding of Landlord and Tenant with respect to the leasing of the Premises. No amendment or modification

and Tenant with respect to the leasing of the Premises. No amendment or modification of this Lease shall be valid or binding unless reduced to writing and executed by the parties hereto in the same manner as the execution of this Lease.

38. Counterparts. This Lease may be executed in any number of counterparts via facsimile or electronic transmission or otherwise, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

39. Incorporation of Exhibits and Schedules. This Lease is subject to the provisions of the attached Exhibits A-H, inclusive, which exhibits are hereby made a part of this Lease.

40. Guaranty. As a condition to the effectiveness of this Lease, the obligations of Tenant under this Lease shall be guaranteed by Star Equity Holdings, Inc. ("Guarantor"), pursuant to a guaranty in form attached hereto as Exhibit "H" (the "Guaranty").

41. Authority. Landlord and Tenant represents to the other party as follows: Such party, if a corporation, limited liability company, limited partnership, or partnership is duly formed and validly existing under the laws of the state of its formation and is duly qualified to do business in the State where the Premises is located. Tenant has all requisite power and all governmental certificates of authority, licenses, permits, qualifications and other documentation to lease the Premises and to carry on its business as now conducted and as contemplated to be conducted. Each person signing on behalf of Landlord or Tenant is authorized to do so. The foregoing representation in this Section 40 shall also apply to any corporation, limited liability company, limited partnership, or partnership which is a general partner or joint venturer of Tenant.

42. No Merger of Title. No merger of the leasehold estate created by this Lease with the fee estate of Landlord shall occur notwithstanding the fact that the same person may

own or hold both the leasehold estate created by this Lease or any interest therein and the fee estate in the Premises or any interest therein. No such merger shall occur unless and until all persons or entities (including any mortgagee with respect to the fee estate of Landlord) having any interest in the leasehold estate created by this Lease or the fee estate in the Premises shall join in a written instrument effecting such merger and shall duly record the same.

43. Waiver of Redemption. Tenant hereby waives and surrenders any right or privilege under any present or future constitution, statute or law to redeem the Premises or to continue this Lease after the termination of this Lease for any reason, and the benefits of any present or future constitution, statute or rule of law which exempts property from liability for debt or for distress for rent.

44. No Waiver. Failure of Landlord or Tenant to insist upon the strict performance by the other party of any term, condition or covenant on such other party's part to be performed pursuant to the terms of this Lease or to exercise any option, right, power, or remedy contained in this Lease shall not be or be deemed to be a waiver of such performance or relinquishment of such right now or at any time subsequent hereto. The receipt by Landlord of any Minimum Rent or Additional Rent required to be paid by Tenant hereunder with knowledge of any Event of Default by Tenant shall not be or be deemed to be a waiver of such Event of Default. No waiver by Landlord or Tenant of any provision of this Lease shall be or be deemed to have been made unless expressed in writing and signed by Landlord or Tenant, as the case may be.

45. Intentionally deleted.

46. Costs of Enforcement. If Landlord or Tenant defaults under this Lease or there is a dispute under this Lease, then the defaulting party or the party not prevailing in such dispute shall pay proportionately to the extent found to be at fault, on demand, the out-of-pocket costs and expenses incurred by the other party in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees.

47. Financial Statements. If Landlord desires to sell the Premises, refinance any loan secured by the Premises or obtain additional financing to be secured by the Premises, then Tenant, and any sublessee or assignee of Tenant, shall deliver to any lender designated by Landlord its financial statement for the most recently concluded two (2) calendar years; provided that Landlord acknowledges that the statement for the most recently concluded calendar year shall not be available until March 31 of the following calendar year. All such financial statements shall be received in confidence and shall be used only for the purposes herein set forth.

48. Severability. The invalidity of any provision of this Lease as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof. Each provision of the Lease performable by Landlord or Tenant, as applicable, shall be deemed both a covenant and a condition.

49. Time of Essence. Time is of the essence of this Lease and the performance of all obligations of the parties hereunder. All references in this Lease to “days” shall mean calendar days unless specifically modified herein to be “business” days.

50. Waivers. No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by the other party of the same or any other provision. Landlord’s or Tenant’s consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord’s or Tenant’s consent to or approval of any subsequent act by the other party. The acceptance of Rent hereunder by Landlord shall not be a waiver of any preceding breach by Tenant of any provision hereof, other than the failure of Tenant to pay the particular rent so accepted, regardless of Landlord’s knowledge of such preceding breach at the time of acceptance of such Rent.

51. Waiver of Jury. Landlord and Tenant each hereby waive their respective rights to a jury trial in any action or proceeding brought by either party hereto and arising out of or relating to this Lease and/or the Premises.

52. Governing Law. This Lease has been delivered and executed in, and shall in all respects be governed by, subject to, enforced and construed in accordance with the laws of the state where the Premises is located, including all matters of construction, validity, performance and enforcement.

53. Consent. The consent by one party to any act by the other for which such consent was required shall not be deemed to imply consent or waiver of the necessity of obtaining such consent for the same or any similar acts in the future. No waiver or consent shall be implied from silence or any failure of a party to act, except as otherwise specified in this Lease.

[Signature pages follow]

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IN TESTIMONY WHEREOF, Landlord and Tenant have caused this Lease to be executed as a sealed instrument, effective as of the day and year first above written.

LANDLORD:

PASTURE DRIVE HOLDINGS LLC, a Wyoming limited liability company

Rv: Timber Valley Holdings LLC, its member/manager

By: Timber Valley Holdings LLC, its member/manager

By: /s/ Steven G. Fishbach

Steven G. Fishbach, Trustee

Date: February 27, 2026

TENANT:

ALLIANCE DRILLING TOOLS LLC,
a Wyoming, LLC

By: /s/ Ryan Thomas

Name: Ryan Thomas

Title: President

Date: February 27, 2026

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EXHIBIT H

GUARANTY

WHEREAS, PASTURE DRIVE HOLDINGS, LLC ("Landlord") and ALLIANCE DRILLING TOOLS LLC ("Tenant"), have entered into a certain lease agreement dated on or about the date hereof, covering certain premises located at 101-107 Pasture Dr, Evanston, WY 82930 (the "Premises") in lease referenced as Landlord address (the "Lease"); and

WHEREAS, the Landlord requires as a condition to its execution of the Lease that the Star Equity Holdings, Inc. (the "Guarantor") unconditionally becomes a guarantor to Landlord for the obligations of Tenant under the Lease; and

WHEREAS, the Guarantor is the parent corporation of Tenant and as such is

desirous that Landlord enter into the Lease with Tenant.

NOW THEREFORE, in consideration of the execution of the Lease by Landlord and other good and valuable consideration and intending to be legally bound hereby, the undersigned hereby unconditionally becomes a guarantor to Landlord, its successors and assigns as follows:

1. The Guarantor unconditionally guaranties as a surety, the full, faithful and punctual payment of all sums of rent and other amounts payable under the Lease and performance of each and all of the covenants, agreements and conditions of the Lease, to be kept and performed by Tenant (subject to all applicable notice and/or cure periods set forth in the Lease), in accordance with and within the time prescribed by the Lease (hereinafter collectively referred to as the "Liabilities"). Guarantor's obligations under this Guaranty are irrevocable, continuing and unconditional. If Tenant defaults at any time in the payment of any rents, charges or other sums due under the Lease or in the performance of any of the other covenants and obligations of Tenant thereunder and fails to cure the said default within the time prescribed by the Lease, on demand of Landlord Guarantor shall fully and promptly pay all such rents, charges and other sums and otherwise perform at Guarantor's cost and expense all such covenants and obligations, including without limitation the payment of interest on past due obligations of Tenant, of any and all costs advanced by Landlord, and of any and all damages and expenses (including attorneys' fees and litigation costs) that may arise in consequence of Tenant's default. Guarantor hereby waives all requirements of notice of the acceptance of this Guaranty and all requirements of notice of breach or non-performance by Tenant, including without limitation presentment, demand, protest, notice of protest, notice of dishonor and notice of acceptance of this Guaranty.

Notwithstanding, anything contained herein this agreement Landlord agrees that prior to taking any action against Guarantor, after an Event of Default (as defined in the

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Lease), Landlord will provide written notice to Tenant and Guarantor after any grace period provided for in the Lease, which provides that if the Event of Default has not been cured by Tenant within twenty (20) days of such notice, that Landlord may proceed against Guarantor (a "Guarantor Notice"). If Tenant has not fully cured the Event of Default within twenty (20) days after the date of the Guarantor Notice, Landlord may proceed hereunder against Guarantor, independently of or concurrently with any other remedies it may have.

2. Landlord shall have the right from time to time, upon obtaining consent from the undersigned, to significantly modify, change, extend, alter, amend, or supplement in any respect whatever, the Lease, or any agreement or transaction between Landlord and Tenant or between Landlord and any other party liable for the Liabilities, or any portion or provision thereof; to allow Tenant to assign or sublet any of its rights or liabilities in the Lease; to grant extension of time and other indulgences of any kind to Tenant; to compromise, release, substitute, exercise, enforce or fail to refuse to exercise or enforce any claims, rights, or remedies of any kind which Landlord may have at any time against Tenant or any other party liable for the Liabilities, or any thereof, or with respect to any security of any kind held by Landlord at any time under any agreement or otherwise.

3. The Guarantor waives, except as otherwise stated herein this Guaranty: (a) all notice, including but not limited to (i) notice of acceptance of this Guaranty; (ii) notice of presentment, demand for payment, or protest of any of the Liabilities, or the obligation of any person, firm, or corporation held by Landlord as collateral security; (b) trial by jury and the right thereto in any proceeding of any kind, whether arising on or out of, under or by reason of this Guaranty, or any other agreement or transaction between the undersigned, Landlord and/or Tenant; and (c) all notices of the financial condition or of any adverse or other change in the financial condition of Tenant.

4. Landlord may, with proper notice, assign this Guaranty in whole or in part to Landlord's successor in interest under the Lease, and no assignment of this Guaranty shall operate to extinguish or diminish the liability of the undersigned hereunder.

5. The liability of the Guarantor under the Guaranty shall not be primary under any right of action which shall accrue to Landlord under the Lease, but Landlord may, at its option, proceed against the undersigned, having otherwise complied with this Guaranty without having to commence any action, or have obtained any judgment against Tenant. Guarantor's obligations hereunder are independent of Tenant. At Landlord's option, a separate action or actions may be brought and prosecuted against Guarantor, whether any action is first or subsequently brought against Tenant or whether Tenant is joined in any such action, and Guarantor may be joined in any action or proceeding commenced by Landlord against Tenant relating to or arising in connection with the Lease. Guarantor waives any right to require Landlord to proceed against Tenant except as set forth herein or pursue any other remedy in Landlord's power whatsoever, any right to complain of delay in the enforcement of Landlord's rights under the Lease.

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6. All of the Liabilities and the obligations of the Guarantor hereunder shall be immediately due and payable by the undersigned, anything contained herein to the contrary notwithstanding, immediately upon the occurrence of a default under the Lease which continues beyond the expiration of the applicable notice grace and/or cure period, if any, under the Lease. The Landlord shall immediately notify Guarantor of any default or anticipated default of Tenant under the Lease.

7. The obligations of the Guarantor hereunder shall not be affected, impaired or discharged, in whole or in part, by reason of: (a) the entry of an order for relief pursuant to the United States Bankruptcy Code by or against Tenant or the undersigned; or (b) the proposal of or the consummation of a plan of reorganization concerning Tenant or the undersigned. If Guarantor shall become bankrupt or insolvent, or any application shall be made to have Guarantor declared bankrupt or insolvent, or Guarantor shall make an assignment for the benefit of creditors, notice of such occurrence or event shall be promptly furnished to Landlord by Guarantor or such Guarantor's fiduciary. This Guaranty shall extend to and be binding upon Guarantor's successors and assigns, including, but not limited to, trustees in bankruptcy.

8. Guarantor hereby agrees to indemnify, protect, defend and hold Landlord harmless from and against, all losses, costs and expenses including, without limitation, all interest, default interest, post-petition bankruptcy interest and other post-petition obligations, late charges, court costs and attorneys' fees, which may be suffered or incurred by Landlord in enforcing or compromising any rights under this Guaranty or in enforcing or compromising the performance of Tenant's obligations under the Lease. Notwithstanding, Guarantor's duty to indemnify shall be limited or offset by any contributing fault of the Landlord.

9. Guarantor agrees to pay to Landlord on demand all reasonable costs and expenses incurred by Landlord in seeking to enforce Landlord's rights and remedies under this Guaranty, including court costs, costs of alternative dispute resolution and reasonable attorneys' fees and costs, whether or not suit is filed, or other proceedings are initiated hereon. All such reasonable costs and expenses incurred by Landlord shall constitute a portion of the guaranteed Liabilities hereunder, shall be subject to the provisions hereof with respect to the guaranteed Liabilities and shall be payable by Guarantor within ten (10) business days of written demand by Landlord. Notwithstanding, if Tenant or Guarantor has asserted claims against the Landlord the Guarantor is only responsible for indemnification to the extent of the Tenant or Guarantor's pro-rata culpability, which may be reduced by that of the Landlord.

10. The waiver of any right by Landlord or its failure to exercise promptly any right shall not be construed as the waiver of any other right including the right to exercise the same at any time thereafter. No waiver or modification of any of the terms or conditions of this Guaranty shall be binding against Landlord unless such waiver or modification is in a writing signed by Landlord. Guarantor's obligations hereunder will

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remain fully binding or extended the time of performance by Tenant or granted other indulgences to Tenant, or may have released, returned or misapplied other security for the performance of Tenant's obligations under the Lease (including any other guarantees or any security Guarantor hereby waives any and all rights of subrogation, reimbursement, indemnity or contribution or any rights and defenses that are or may have become available to Guarantor against Tenant or any other guarantor or any other person who now or hereafter has direct or contingent liability for all or any portion of the obligations guaranteed hereby, or against any security deposit or other property which

now or hereafter serves as collateral security for performance of the Lease. Any indebtedness of Tenant held by Guarantor is hereby subordinated to the obligations and indebtedness of Tenant to Landlord; and any indebtedness of Tenant to Guarantor upon a breach by Tenant which has not been corrected within the grace periods set forth therein the Lease, plus ten (10) business days. Thereafter, if Landlord so requests, the indebtedness held by Guarantor will be collected, enforced and received by Guarantor as trustee for Landlord on account of the obligations and indebtedness of Tenant to Landlord, without affecting the liability of Guarantor under this Guaranty.

11. The provisions of the Guaranty shall bind all of the respective successors and assigns of the undersigned and shall inure to the benefit of Landlord, its successors and assigns. This Guaranty will remain and continue in full force and effect and will not be discharged in whole or in part by any alteration, renewal, extension, modification or amendment or by any assignment, subletting, hypothecation or other transfer of the Lease. Guarantor hereby consents to and waives notice of any of the foregoing and agrees that its liability hereunder will be based upon the obligations of Tenant set forth in the Lease as the same may be from time to time altered, renewed, extended, modified, amended or assigned.

12. All rights and remedies of Landlord are cumulative and not alternative. This Guaranty is, and shall be deemed to be, a contract entered into under and pursuant to the laws of the State of Illinois and shall be in all respects governed, construed, applied and enforced in accordance with the laws of said State. Guarantor hereby consents and agrees that the courts of the state or commonwealth in which the Premises are located will have jurisdiction over Guarantor's person in actions arising under or relating to the Lease or this Guaranty, and Guarantor agrees that any action brought by Guarantor arising out of or relating to the Lease or this Guaranty shall be filed in the state or commonwealth in which the Premises are located. Guarantor hereby waives trial by jury in any action. In any litigation between Landlord and Guarantor relating to or arising in connection with this Guaranty, the prevailing party shall be entitled to recover its costs and the reasonable fees and expenses of its attorneys.

13. Prior to the execution of this Guaranty and at any time during the Term of the Lease upon ten (10) days prior written notice from Landlord, Guarantor agrees to

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provide Landlord with a current financial statement for Guarantor and financial statements for such Guarantor. Guarantor's financial statements are to be prepared in accordance with generally accepted accounting principles. Guarantor represents and warrants that all such financial statements shall be true and correct statements of such Guarantor's financial condition.

14. The Guarantor represents that at the time of the execution and delivery of this Guaranty nothing exists to impair the effectiveness of the obligations of the Guarantor to Landlord hereunder, or the immediate taking effect of this Guaranty between the Guarantor and Landlord with respect to the Guarantor becoming a surety for the Liabilities.

15. The execution of this Guaranty prior to or following execution of the Lease shall not invalidate this Guaranty or lessen the obligations of Guarantor hereunder. This Guaranty may be attached to the Lease and designated as an exhibit thereto, and the execution by Guarantor of this Guaranty as so designated and the delivery hereof as an attachment to the Lease will constitute the due execution and delivery of this Guaranty.

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IN WITNESS WHEREOF, the undersigned have caused this Guaranty to be executed on February 27, 2026 .

STAR EQUITY HOLDINGS, INC.

By: /s/ Richard K. Coleman, Jr.

Name: Richard K. Coleman, Jr.

Title: Chief Operating Officer

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STAR EQUITY HOLDINGS, INC.
CODE OF BUSINESS CONDUCT AND
ETHICS

(Adopted February 18, 2004
Revised January 1, 2026)

INTRODUCTION.

Star Equity Holdings, Inc. (the “Company” or “Star”) is committed to integrity as one of its core values, therefore this Code has been approved by the Board of Directors of Star to provide guidance for all directors and employees. In keeping with the value of integrity, all Company employees and directors are expected to maintain high ethical standards of conduct and to comply fully with applicable laws and governmental regulations. Each employee and director must read this document carefully with a commitment to upholding these standards. Operating with honesty and integrity in all matters will create a working environment consistent with the Company's core values and project a positive image of the Company to customers, suppliers, stockholders, and the public at large.

This Company Code of Business Conduct and Ethics applies to Star Equity Holdings and any of its affiliated companies, including but not limited to: boards of directors, officers, employees, and those contractors, agents and vendors over which the Company has control.

Throughout this document, the term "Responsible Manager" means the senior management team member for the region or corporate function where an employee works; and the "Company's Legal Counsel" means the Chief Legal Officer or formally engaged external company counsel.

If you have questions about this Code, please speak to your supervisor, your Responsible Manager, your local or regional head of Human Resources, or the Company's Legal Counsel.

While this Code deals with major areas of concern, it cannot cover every situation, so employees and directors are expected to use their best judgment at all times, keeping in mind the high standards of integrity, respect, and responsibility to which the Company is committed.

REPORTING VIOLATIONS AND ENSURING COMPLIANCE.

If an employee ever believes that this Code, a law, or a regulation has been violated, or that he or she is being asked to violate this Code, a law, or a regulation, then he or she must promptly report to his or her supervisor or Responsible Manager. Alternatively, the employee may report the matter to his or her local or regional head of Human Resources, to the Company's

possible with an appropriate follow-up and possible investigation. A director of the Company should report a matter to the Chairman of the Audit Committee of the Company's Board of Directors.

To further safeguard the ability of employees to report violations of this Code without fear of reprisal, the Company, through the Audit Committee, has established procedures for receiving and handling complaints or concerns related to accounting, internal accounting controls, auditing matters, and other allegations of wrongdoing in a confidential and anonymous manner. These procedures are set forth in more detail in the Company's policy covering accounting, internal accounting controls, auditing matters, and other allegations of wrongdoing, otherwise known as the Whistleblower Policy.

As soon as a matter is brought to the attention of the appropriate person, the Company will investigate fully while, to the extent possible, maintaining the confidentiality of the reporting employee or director. In certain circumstances, further investigation or action regarding an incident may require disclosure of some personal information. Anonymity will be maintained to the greatest extent possible.

Employees and directors should be assured that no retaliation or retribution will be taken for providing information or assisting in an investigation. Any employee threatening, harassing, or in any way discriminating against an employee or director for reporting a matter will be subject to disciplinary action. Further, an employee or director found to have violated this Code will be subject to appropriate disciplinary action, ranging from warnings to possible termination.

Only the Board of Directors may waive or change provisions of this Code. To the extent required, all waivers of or changes to this Code must be publicly disclosed to comply with the requirements of the Securities and Exchange Commission, the listing standards of the Nasdaq Stock Market, and other applicable laws and regulations.

The Company's Board of Directors is responsible for overseeing the interpretation and enforcement of this Code. Each Responsible Manager must enforce this Code for his or her employees. The Company's Legal Counsel will be responsible for monitoring the enforcement of this Code. Questions regarding this Code not resolvable by the Company's Legal Counsel shall be directed to the Chairman of the Audit Committee of the Board of Directors.

COMPLIANCE WITH LAWS GENERALLY.

¹ Star Integrity Hotline - English speaking USA and Canada: 833-680-0009 or Website: <https://report.syntrio.com/starequity>

The Company's businesses must be conducted in full compliance with all applicable laws and regulations. Any illegal action will be dealt with swiftly. Violations will be reported to the proper authorities and offenders will be subject to disciplinary action by the Company. If an employee or a director has any questions on specific laws, regulations, or other legal issues, he or she should contact the Company's Legal Counsel.

In keeping with our commitment to integrity, there may be isolated instances where local laws are unacceptable. For example, even if it were not illegal in other countries, the Company does not want to obtain or retain business by giving gifts to officials of a government or a multinational organization either to influence any of their official acts, or to induce them to

use their influence to affect any governmental act. In addition, employees must never give a gift to any person or firm if he or she has reason to believe that the gift will be passed on to a government official for such purposes.

Employees and directors must never make improper gifts or payments, such as bribes or kickbacks, in any way in connection with the Company's business.

- 3 -

CORPORATE OPPORTUNITIES AND CONFLICTS OF INTEREST.

Employees and directors may not take personal advantage of certain business opportunities in which the Company may be interested. This "corporate opportunity doctrine" is complex. The most common types of situations falling within this doctrine prohibit employees and directors from taking advantage personally of a business opportunity that typically would be of interest to the Company; taking advantage of an opportunity discovered using Company property, business contacts or information, or that the employee becomes aware of because he or she works for the Company (or is a director of the Company); or competing with or otherwise disadvantaging the Company. If an employee or director has any question regarding whether this corporate opportunity doctrine applies, he or she should consult with the Company's Legal Counsel.

Although employees are free to participate in outside activities, it is important that they not engage in any activity that is or gives the appearance of being a conflict of interest. Examples include:

- Being a consultant to, or a director, officer or employee of, or otherwise operating an outside business in competition with the Company's current or potential products and services, or one that supplies products or services to the Company or that purchases products or services from the Company
- Having any financial interest, including stock ownership, in any such outside business that might create or give the appearance of a conflict of interest
- Seeking or accepting any personal loan or services from any such outside business, except from financial institutions or service providers offering similar loans or services to third parties under similar terms in the ordinary course of their business
- Being a consultant to, or a director, officer or employee of, or otherwise operating an outside business which would interfere with the director's or employee's responsibilities with the Company
- Using the Company's property, information, or position for personal gain

Conflicts of interest may also arise through an employee's activities for the Company, such as conducting business on behalf of the Company with immediate family members, which include spouses, children, parents, siblings, and persons sharing the same home whether or not legal relatives.

You must disclose any potential conflicts of interest to the Responsible Manager or Company Legal Counsel, who can then advise you as to whether or not the Company believes a conflict of interest exists. You must also disclose potential conflicts of interest involving the employee's spouse, siblings, parents, in-laws, children and members of the employee's household. Non- employee directors may discuss any concerns with the Chair of the Audit Committee.

COMPANY INFORMATION.

Company information and data are very valuable assets. Company information and data encompasses all proprietary information that is not generally available to or known by the public, and it includes information in any format.

Employees should use Company information to the extent needed to perform their jobs properly but should remember that they are responsible for safeguarding that information from theft or misuse. Accordingly, employees cannot, directly or indirectly:

- disclose any Company information to others, including other employees, unless they have a legitimate need to know it to perform their jobs and have agreed to maintain its confidentiality;
- use Company information for any purpose other than its intended use;
- copy any documents containing Company information, or remove any documents or other records or copies from the work area, except as required to perform their jobs properly; or
- dispose of Company information inappropriately.

All Company documents, e-mail and other materials containing Company information are the Company's property. When employment or directorship ends or if the Company requests, the documents and other materials must be returned to the Company, or directors may attest to the safe preservation or deletion of e-mail and other materials.

Many employees regularly exchange Company information with others for legitimate business reasons. As a general rule, before disclosing or receiving information, the Company must enter into an agreement, approved by the Company's Legal Counsel that describes how the parties can use and must protect the information.

Subject to applicable law, directors have an obligation to the Company and its shareholders to maintain the confidentiality of nonpublic information about the Company (and nonpublic information provided to the directors by another person or company) and not disclose such information or use it for any purpose other than its intended use.

USE OF COMPANY PROPERTY.

When an employee or director uses Company property, it must be for valid legal corporate purposes and, except as described below, exclusively for the Company's benefit. Company property includes corporate funds, facilities, equipment, computers, software, inventory, office supplies, technologies, concepts, intellectual property, product development strategies and projects, business strategies and plans, customer lists, personnel data, marketing and sales plans, Company phone directories, organization charts, service cost and pricing data, financial data, and all other proprietary information about the Company's business and employees.

All of the Company's information systems, including communications systems, magnetic

Company's property and generally must be used only for business activities. Incidental personal use is permissible as long as it is legal, does not consume more than a trivial amount of resources, does not interfere with productivity, does not preempt any business activity, is otherwise appropriate and reasonable, and is consistent with the Company's business values and this Code. The Company reserves the right at any time to access, read, monitor, inspect and disclose the contents of, postings to, and downloads from, all of the Company's information systems.

No one may use the Company's information systems to access, view, post, store, transmit, download, or distribute any profane, obscene, derogatory, harassing, offensive, or inappropriate materials. Additionally, no employee may use these systems to send Company information or copyrighted documents that are not authorized for transmittal or reproduction.

FAIR DEALINGS WITH OTHERS.

The Company has clearly expressed its belief in the value of respect. Therefore, everyone should be treated with uncompromising respect, civility, and fairness. This value extends not only to employees but also to customers, suppliers, competitors, and external advisers.

CONTACT WITH THE MEDIA, THE PUBLIC OR LAWYERS.

Press releases and contact with the news media, industry and securities analysts or investment bankers must be made only through or at the direction of the Chief Executive Officer or the Chief Operating Officer. All media inquiries should be directly routed to the Responsible Manager or the appropriate marketing manager. No employee (unless authorized) should answer questions or comment on, confirm or deny anything relating to company business.

If an attorney contacts an employee regarding the Company, then the employee should refer him or her to a regional lawyer of the Company or the Company's Legal Counsel. An employee should never answer questions or supply documents to lawyers outside of the Company without the prior approval of a regional lawyer of the Company or the Company's Legal Counsel. If an employee receives a summons, legal complaint, subpoena, or other similar legal document concerning the Company, then the employee should immediately consult with a regional lawyer of the Company or the Company's Legal Counsel. These policies are more fully explained in the Company's legal policies and procedures.

COMPLIANCE WITH SECURITIES LAWS.

Each employee and director is expected to fully comply with the Company's Policy Prohibiting Insider Trading in Company Stock. A copy of this Policy is regularly provided to employees and directors and is posted on the intranet. Directors, executive officers of the Company, and certain key employees of the Company who have regular access to material nonpublic information regarding the Company are regularly provided with memoranda regarding additional requirements and restrictions under the federal securities laws and under

the Company's policies and procedures with respect to transactions involving Company stock. Such persons are expected to fully comply with these requirements, restrictions, policies, and procedures.

ANTITRUST AND COMPETITION LAW COMPLIANCE.

The Company adheres to a policy of strict conformity with antitrust and competition laws in the jurisdictions in which the Company conducts business. These laws prohibit companies

from engaging in unfair, anti-competitive practices. Accordingly, employees cannot share or discuss any client proposals or pricing information with competitors. It is imperative that the Company avoid even the appearance of a violation of antitrust or competition laws. The Company must never enter into any illegal agreements or engage in acts that create illegal agreements.

Due to the complexity of the issues involved and the seriousness of the penalties for a violation, anyone who has questions about this policy or suspects a violation of Company policy in this regard should contact the Responsible Manager or the Company's Legal Counsel for guidance.

EQUAL EMPLOYMENT OPPORTUNITY POLICY.

The Company adheres to a policy of strict conformity with employment laws in the jurisdictions in which the Company conducts business. It is the Company's policy to employ and advance in employment qualified persons with regard only to the professional capabilities of the individual as compared to the requirements of the job. Where necessary, the Company will provide reasonable accommodations for employees' disabilities or religious beliefs and practices. Anyone who has questions related to this policy should contact his or her local or regional head of Human Resources.

GENERAL ANTI-HARASSMENT POLICY.

The Company expects the workplace to be a professional work environment free from physical, psychological, verbal, and non-verbal harassment.

The Company will not tolerate any forms of harassment, whether by a supervisor, employee, director, outside vendor, client, or consultant. The Company will not tolerate any form of retaliation against any person for making a complaint or cooperating in the investigation of a complaint. Complaints of harassment will be promptly and impartially investigated. Any employee who believes that he or she has been the subject of harassment or retaliation or has witnessed harassment or retaliation should report this immediately to his or her supervisor, Responsible Manager, or to his or her local or regional head of Human Resources. The Company will maintain the confidentiality of any complaints or other information regarding harassment or retaliation in accordance with established Company policy.

SAFETY AND HEALTH.

The safety of our employees and customers is our highest concern. We are committed to providing each employee a safe and healthy work environment. In turn, each employee is responsible for maintaining a safe and healthy workplace by following safety and health rules, and reporting any unsafe conditions, accidents and injuries.

ACCURACY, RETENTION AND DISPOSAL OF RECORDS.

Each employee is responsible for maintaining accurate documents, reports, and other records. No one may falsify or improperly alter any information contained in the Company's records.

Good business practice requires that certain Company records be retained for various time periods (e.g. financial records should generally be retained for seven years). Often this is prescribed by law, and it is the responsibility of each employee to ensure that records are retained in compliance with applicable document retention policies established by the Company from time to time and with applicable laws. Documents that need not be kept should be disposed of in compliance with any such Company policies. Where litigation or a government investigation is likely or ongoing, records may not be destroyed until the

government investigation is likely or ongoing, records may not be destroyed until the Company's Legal Counsel advises that the matter has been concluded.

For questions about record retention, contact the Company's Legal Counsel, particularly if any litigation, investigation, or administrative action is (or may be) threatened or pending.

GENERAL BUSINESS CONDUCT AND PRACTICES.

Star seeks to outperform its competition fairly and honestly. We seek competitive advantages through superior performance, not unethical or illegal business practices. Each employee must endeavor to deal fairly with our customers, vendors and our competitors.

It is part of our Company ethics to sell our products and services on their own merits and the strength of our Company. No employee or vendor is authorized to make any warranty or representation about our products and services other than those provided in the most recent Company-released marketing and sales materials and customer contract. Claims with respect to our services or product capabilities or standards must comply with federal and state law, and therefore, must be approved by the appropriate supervisor.

Employees, including our sales, marketing, billing, and customer service vendors are to avoid making comments about our competitors that are not based on factual data, subject to any obligations of confidentiality that we may have with respect to that data. For example, no claims should be made about a competitor's product that is not contained in the competitor's published materials or in factual materials approved by the Company to be used for the purposes of sales and marketing. Employees should be careful about commenting on the character, financial condition, or potential regulatory problems of competitors.

It is prohibited for anyone representing Star to encourage a potential customer or other party (such as a vendor) to breach a contract with a competitor or to provide legal advice with respect to the terms and conditions of that party's contract with a customer.

Anti-trust, fair competition, truth-in-advertising and other laws limit what and how Star can behave with respect to their competitors. If a situation arises where there is a potential issue that breaches Star's legal obligation to adhere to anti-trust laws, contact the Company's Legal Counsel or report it to the Star Integrity hotline via phone or online before taking any action so the matter can be fully discussed and evaluated.

FINANCIAL AND ACCOUNTING PRACTICES.

Employees and directors must comply with the Company's accounting rules, internal controls and with generally accepted accounting practices and cooperate fully with the Company's internal and external auditors. All funds, assets, transactions, and payments must be accurately reflected, and no false or misleading entries may be made on corporate records. Payments for goods and services provided to the Company must be payable to the person or company legally entitled to receive payment. Receipts must be provided for all Company payments and gifts. Employees seeking reimbursement for expenses should refer to the Company's Expense Policy.

INTELLECTUAL PROPERTY RIGHTS.

Innovation will help the Company attain its vision, develop a strong and positive reputation, and continually improve our products and services. Innovation requires employees to contribute to the research and development of new technologies, products, and services. All discoveries and ideas should be documented and promptly reported to designated persons in the Company. Employees should preserve and protect the intellectual property rights of the Company by maintaining discoveries and ideas in secrecy within the Company until public disclosure is authorized.

To the extent permitted by law, employees are required to assign to the Company all interest in their discoveries, inventions, ideas, trademarks, patents, and patent applications on such discoveries and copyrighted material which are developed during their relationship with the Company and are related to any business or activity of the Company. It is also the Company's policy never to knowingly infringe the intellectual property rights of others. Employees are expected to take appropriate steps to implement this policy by, for example, instituting timely searches for conflicting patents or trademarks before utilizing a newly developed technology or trademark.

POLITICAL CONTRIBUTIONS.

While the Company encourages individual participation in the political process, no employee should create the impression of speaking or acting on the Company's behalf without specific authorization. Employees can only make political contributions as individuals, not as representatives of the Company. It is up to each employee to abide by all laws relating to political contributions. Employees cannot contribute any Company; money, property, time, or

permitted by local law and the employee has the prior consent of the Board of Directors.

LOBBYING AND LEGISLATIVE CONTACTS.

In some cases, the Company, through its senior management, may publicly offer recommendations about laws or governmental actions and take public positions on issues that affect the Company's business.

Under some circumstances, a written or personal contact with a government official may subject the person making the contact or the Company to registration and reporting requirements under applicable lobbying laws. An employee intending to contact a government official regarding any attempt to propose, defeat, or modify any law, regulation, or rule affecting the Company should obtain prior written approval for such activity from the Responsible Manager and the Company's Legal Counsel.

BUSINESS WITH GOVERNMENTS AND OFFICIALS.

Most countries around the world have laws that prohibit employees from giving gifts or inducements to influence government officials, or to induce the purchase of the Company's products or services. The term "government official" includes candidates for political office, political parties, and employees of public international organizations. "Inducements" or "benefits" are also broadly defined to include anything of value. Even if it were not illegal in other countries, the Company does not want to obtain or retain business by giving gifts to officials of a government or a multinational organization either to influence any of their official acts, or to induce them to use their influence to affect any governmental act. In addition, employees should never give a gift to any person or firm where he or she has reason to believe that the gift will be passed on to a government official for such purposes.

Employees and directors must never make improper gifts or payments, such as bribes or kickbacks, in any way in connection with the Company's business.

GOVERNMENT CONTRACTING.

Many countries have laws that impose strict requirements on companies who sell goods and services to it. These laws impose requirements not applicable to sales to commercial customers. Special care should be taken by all employees to assure that all information provided to a government agency in any correspondence, bid, quotation, application, certificate, or other document is true, accurate and not misleading.

The terms of any government contract must be reviewed and approved by a regional lawyer of the Company. It is essential that the Company comply strictly with these terms. All deviations must be approved in writing by a government representative with the title equivalent to "Contracting Officer."

The government may reimburse only those costs incurred in performance of, or allocated to, a specific contract. Certain types of costs are not allowed at all. Mischarging of costs is a serious offense and clearly prohibited by the Company. Business courtesies that are standard in the commercial marketplace may constitute illegal or improper influence when dealing with government officials. Employees shall not provide or pay for meals, refreshments, travel, or lodging expense for government employees where that is prohibited by law.

GOVERNMENTAL INVESTIGATIONS.

It is the Company's policy to cooperate in the administration of all laws and regulations to which it is subject. Employees who receive notice of any governmental investigation involving the Company or any request to cooperate in a legal proceeding with regard to the Company should promptly notify the Responsible Manager and a regional lawyer of the Company or the Company's Legal Counsel. If a governmental investigator requests an interview or information, he or she should be treated courteously, given only publicly available information, and should be requested to **put** the inquiry in writing so that it may be answered with appropriate care by proper persons acting with the advice of a regional lawyer of the Company or the Company's Legal Counsel. You may also give them the contact information for the responsible Star department to contact directly, including the corporate headquarters telephone number of 203-489-9500 or legal@Starequity.com. All documents should be forwarded to the Company Legal Counsel.

This directive is intended to ensure appropriate Company cooperation but also to ensure that the inquiry is actually being made by the agency purported to make the inquiry.

GRATUITIES AND GIFTS.

Employees and directors should not accept significant gifts, entertainment, favors, or other gratuities from persons doing business or seeking to do business with the Company. These gifts could impair or appear to impair an employee's or director's ability to act independently in the best interests of the Company. Acceptance of gratuities having nominal value, if consistent with local business custom and practice, is permissible. Employees are also prohibited from giving significant gifts, entertainment, favors, or gratuities. Except as explicitly permitted by local Company policies, no employee should give or receive gifts of cash. If you have questions about the appropriateness of a gift or gratuity, please speak to your supervisor, your Responsible Manager, the applicable regional lawyer of the Company or the Company's Legal Counsel.

Appendix A Star Integrity Contact Information

Below is a list of phone numbers to the Star Integrity Tollfree Hotline. If the applicable country is not listed below, please contact the applicable HR department.

- English speaking USA and Canada: 833-680-0009
- Spanish speaking USA and Canada: 800-216-1288
- Argentina - 0800-345-5408
- Australia - 1-800-768-120
- Belgium - 0800-262-67
- Brazil - 0-800-591-6043
- Canada (French): 855-725-0002
- China - 400 120 1853
- Columbia - 01800-913-5293
- Costa Rica - 0800-542-5614
- Germany - 0800-183-0724

- Hong Kong - 800-906-523
- India - 000 800 0501 552
- Indonesia - 0800 1504017
- Ireland - 1-800-948-326
- Japan - 0800-888-6033
- Malaysia - 1-800-81-9795
- Mexico: 800-681-5340
- New Zealand - 0800 823 509
- Pakistan - 92 51 8108918
- Panama - not available
- Philippines - 1-800-1-322-0072
- Poland - 0-0-800-141-0023
- Portugal - 800 180 273
- Romania - 0800 360 881
- Singapore - 8004922583
- Slovakia -0-800-606-674
- South Africa - 080 098 2093
- Spain - 900-963267
- Switzerland - 0800 561 024
- Turkey - 0800 621 8888
- United Arab Emirates - 800 0320692
- United Kingdom - 0-808-189-0041
- Vietnam - 120-32121

Website: <https://report.syntrio.com/starequity>
Email: standard-reports@mitratech.com

**STAR EQUITY HOLDINGS, INC.
FEDERAL SECURITIES LAW COMPLIANCE POLICY**

Your transactions in stock of Star Equity Holdings, Inc. (the “Company”) are subject to certain requirements and restrictions under the federal securities laws and under the Company’s policies and procedures with respect to transactions involving Company stock, which are summarized in this Federal Securities Law Compliance Policy (the “Policy”). The following discussion is only a guide and is not intended to be a comprehensive review of the applicable federal securities laws. The Company and its counsel encourage questions about the subject matter of this Policy, and you may direct them to the Company’s Chief Legal Officer.

The Securities and Exchange Commission (“SEC”) and the courts have significant powers to sanction and impose penalties for violations of the federal securities laws. Therefore, it is important that you fully understand your responsibilities to comply with the federal securities laws. After reading this Policy carefully and as a condition of your employment, you will be asked by the Company to execute the Certificate attached as Appendix A.

1. INSIDER TRADING PROHIBITION

A. **Insider Trading Restrictions.** The federal securities laws prohibit directors, officers, employees and agents of the Company from purchasing or selling Company stock while aware of material nonpublic information about the Company or the market for Company stock. These restrictions also apply to your spouse, children and relatives who share your home and certain entities affiliated with you (for example, certain trusts, partnerships and corporations).

Directors and employees are prohibited from engaging in any of the following types of transactions with respect to the Company’s securities: (i) short sales, including short sales “against the box”, (ii) purchases or sales of puts, calls, or other derivative securities or (iii) purchases of financial instruments (including prepaid variable forward contracts, equity swaps, collars and exchange funds) or other similar transactions that directly hedge or offset, or are designed to directly hedge or offset, any decrease in the market value of Company securities.

In addition, any director, officer, employee or agent of the Company who has access to material nonpublic information must exercise the utmost caution in preserving the confidentiality of that information within the Company. “Tipping” or communicating material nonpublic information to a third party is also considered a violation of the insider trading laws, and the “tipper” will be equally liable with the “tippee” for the illegal trading profit gained by the tippee, even if the tipper did not trade and did not profit from the tippee’s trading.

B. **Material Nonpublic Information.** “Material information” generally means information that a reasonable investor would consider important in making a decision of a person to buy, sell or hold Company stock. Any information about the Company, the disclosure of which would cause the Company’s stock price to decrease or increase, is probably material information. Some examples of information that typically would be considered material include:

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- earnings information (favorable or unfavorable), including annual, quarterly or monthly financial results and guidance or projections relating to future earnings performance;

- mergers, tender offers, joint ventures or material acquisitions or dispositions of assets;
- new products or services, or developments regarding clients or suppliers (e.g., the acquisition or loss of an important contract);
- changes in control of the Company or in management of the Company;
- a change in auditors or an auditor notification that the Company may no longer rely on an auditor's audit report;
- events regarding the Company's securities (e.g., defaults on senior securities, calls of securities for redemption, repurchase plans, stock splits, changes in dividend policy, changes to the rights of security holders, financing transactions or public or private offerings of securities);
- pending significant litigation or a change in the status of litigation; and
- bankruptcies or receiverships involving the Company or parties with whom the Company has a material relationship.

Either positive or adverse information may be material. Since the question of "materiality" is determined in litigation with the benefit of 20-20 hindsight, you should generally presume that nonpublic information is material if you have any doubts.

Information is considered to be publicly available only when it has been released to the public through appropriate channels (such as a Company press release or SEC filing) and the investing public has had sufficient time to absorb and evaluate its impact. To be safe, we assume that information will not be considered to have been fully absorbed by the marketplace until after the second full business day following the release of the information to the public.

C. **Individual Penalties for Violations of Insider Trading Laws.** The federal securities laws impose severe penalties on persons who trade while aware of material nonpublic information or who improperly disclose such information to a third party. Individuals trading on (or tipping) material nonpublic information may be liable for criminal fines of up to \$5 million, twenty years imprisonment and civil penalties of up to three times the profit gained or loss avoided.

D. **Control Person Penalties for Violations of Insider Trading Laws.** The federal securities laws also impose penalties against so-called "controlling persons" who fail to take appropriate steps to prevent and detect insider trading violations (including tipping) by their employees or subordinates. The SEC may impose upon control persons a civil penalty of up to the greater of \$1 million or three times the amount of profit gained or loss avoided as a result of the employee's violation. In addition, incorporated violators may be fined up to \$25 million if found guilty of a criminal insider trading violation. **It is possible that your status as a director or officer of the Company would implicate you as a controlling person subject to personal liability for the insider trading violations of the Company's employees.**

E. **Company Insider Trading Policy.** The Company has adopted a Company policy statement prohibiting insider trading by all directors, officers and employees and requiring the maintenance of confidentiality of material nonpublic information, which is attached as Appendix B. The policy statement serves two principal functions: first, it provides information to all

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Company employees (in addition to directors and officers) about their obligations to refrain from insider trading and maintain the confidentiality of material nonpublic information; and second, it provides evidence that the Company has developed policies and procedures reasonably designed to prevent insider trading. This statement will be given to new employees and distributed to employees from time to time. As directors and executive officers of the Company, it is important that you ensure strict compliance with the policies set forth in Appendix B. Failure to enforce the policies could ultimately result in an additional basis for imposing personal liability on you.

F. **Company Pre-Clearance Policy.** To avoid even the circumstantial appearance of insider trading and to facilitate compliance with Section 16 of the Securities Exchange Act of

1934, the Company has adopted the policy that **all directors and executive officers must contact the Company's Chief Legal Officer (the "Pre-clearance Designee") in advance of making any commitment to purchase (or otherwise acquire), including an exercise of stock options, or sell (or otherwise dispose of) Company stock.** The pre-clearance policy applies to all transactions in Company stock, including open market and other purchases (other than pursuant to certain employee benefits plans as described in Section I.H. below) and sales, exercises of stock options, gifts, trust transfers and other nonsale transfers. The pre-clearance policy also applies to transactions in Company stock by your spouse, children and relatives who share your home and certain entities affiliated with you (for example, certain trusts, partnerships and corporations).

Because the Company's announcement of its quarterly financial results almost always has the potential to be material nonpublic information, you should assume that you will not be pre-cleared to purchase or sell Company stock during four quarterly blackout periods. These periods will begin at 7:00 p.m. Eastern Time on the 15th calendar day prior to the end of the Company's fiscal quarter and end at 8:00 a.m. Eastern Time on the second full business day following the Company's issuance of its quarterly earnings release. In addition, there may be material nonpublic information about the Company of which you are unaware at times other than during these four quarterly blackout periods. Accordingly, even at times other than the quarterly blackout periods, you still must pre-clear purchases and sales of Company stock with the Pre-clearance Designee to make sure that there are no pending and undisclosed material events regarding the Company.

G. **Rule 10b5-1 Plans.** Rule 10b5-1 under the Securities Exchange Act of 1934, in general, would allow you to trade while in possession of material nonpublic information if, in essence, you establish a plan to do so in advance when you are not aware of material nonpublic information that complies with the rule. If you desire to implement a trading plan pursuant to Rule 10b5-1, then you must first pre-clear the plan with the Pre-clearance Designee. You will not be permitted to enter into a trading plan during a blackout period. Purchases and sales of Company stock pursuant to a pre-cleared trading plan will not require further pre-clearance at the time of the trade if the plan specifies the dates, prices and amounts of the contemplated trades, or establishes a formula for determining the dates, prices and amounts. However, you will still need to report to the Company the details of all such trades on the day that they occur as described in Section 2.D. below.

H. **Transactions under Company Benefit Plans.**

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Stock Option Exercises. The insider trading policy does not apply to (1) exercises of employee stock options where you pay the exercise price in cash and you do not fund the exercise price with the sale of Company stock or (2) exercises of tax withholding rights pursuant to which you elect to have the Company withhold shares subject to an option to satisfy tax withholding requirements. However, you must pre-clear these transactions with the Pre-clearance Designee, because you will have Section 16 reporting obligations as discussed in more detail in Section 2 below. In addition, you must pre-clear with the Pre-clearance Designee, and may not make during blackout periods, sales of stock as part of a permitted broker-assisted cashless exercise of an option or any other market sale for the purpose of generating cash to pay the exercise price of an option.

401(k) Plan. The insider trading and pre-clearance policies do not apply to purchases of Company stock in the Company's 401(k) plan resulting from your periodic contribution of money to the plan pursuant to your payroll deduction election. However, you must pre-clear with the Pre-clearance Designee, and may not make during blackout periods, (1) an election to begin or terminate investing in the Company stock fund of the 401(k) plan other than during an enrollment period for the 401(k) plan, (2) an election to increase or decrease the percentage of your periodic contributions that will be allocated to the Company stock fund other

than during an enrollment period for the 401(k) plan, (3) an election to make an intra-plan transfer of an existing account balance into or out of the Company stock fund, (4) an election to borrow money against your 401(k) plan account if the loan will result in a liquidation of some or all of your Company stock fund balance and (5) an election to pre-pay a plan loan if the pre-payment will result in allocation of loan proceeds to the Company stock fund.

Employee Stock Purchase Plan. The insider trading and pre-clearance policies do not apply to purchases of Company stock under the Company's Employee Stock Purchase Plan resulting from your periodic contribution of money to the Plan through payroll deductions pursuant to your previously made election. However, you must pre-clear with the Pre-clearance Designee, and may not make during blackout periods, (1) an election to participate or terminate participation in the Plan or to increase or decrease your level of participation in the Plan, in each case other than during the annual enrollment period for the Plan, or (2) sales of Company stock purchased pursuant to the Plan.

I. **Company Policy on Exchange Traded Options.** Trading on an exchange in puts, calls or other derivative securities on Company stock is prohibited at all times. A transaction in these publicly traded options is, in effect, a bet on the short-term movement of Company stock and may create the appearance that you are trading based on material nonpublic information. Transactions in these derivatives may also focus your attention on short-term performance at the expense of the Company's long-term objectives.

2. **SECTION 16 REPORTING**

Section 16(a) of the Securities Exchange Act of 1934 (the "1934 Act") requires executive officers, directors and more than ten percent shareholders of the Company to file certain reports with the SEC, Nasdaq and the Company disclosing beneficial ownership of, and transactions in or changes in beneficial ownership of, Company securities. The concept of

beneficial ownership is much broader than direct or record ownership. In addition to individual holdings, you are deemed to beneficially own securities held by certain family members, trusts, partnerships or corporations.

A. **Form 3 Initial Report.** A Form 3, which requires you to supply information about your beneficial ownership of Company stock (including stock options), must be filed with the SEC ten days after you become a director or executive officer. If you are not a new director or executive officer, a Form 3 was filed on your behalf at the time you became a director or executive officer.

B. **Form 4 Reports.** Subsequent to your Form 3 filing, you must report virtually all changes in your beneficial ownership of Company stock by filing a Form 4 with the SEC **within two business days after the change occurs**. The two-business day requirement runs from the time of the execution of the transaction (and not from settlement or delivery of the confirmation). Subject to certain limited exceptions, most changes in ownership are reportable on Form 4, including open market purchases of Company stock, all sales of Company stock and the grant, exercise and cancellation of stock options.

C. **Form 5 Annual Report.** You are also required to file a Form 5 with the SEC within 45 days after the end of the Company's fiscal year to report a limited number of transactions in Company stock that are eligible for deferred reporting (and are not earlier reported on Form 4) and transactions that should have been, but were not, reported on Form 4. Directors and executive officers with no Company stock transactions to report need not file a Form 5. In those cases where no Form 5 is required, you will be asked to notify the Company of this fact in writing, using the form of notification provided by the Company.

D. **Reporting Transactions to the Company.** Because your transactions in Company stock generally must be reported on Form 4 within two-business days after they occur, **you must report all of your transactions in Company stock in detail to the Company's Chief Accounting Officer and Chief Legal Officer on the day that they occur**. The Chief Accounting Officer will then provide the information to the Company's counsel to prepare and file with the SEC your Form 4. You also need to make sure that all persons or entities that hold Company stock that is attributable to you (such as a family member living in your home or a trust for which you act as a trustee) are aware of the two-business day reporting deadline because you must report their transactions on your Form 4 within two-business days as well. In addition to reporting to the Company the details of your transactions to the Company, you must pre-clear all such transactions in advance with the Pre-clearance Designee, as described in Section 1.F. above.

E. **Company Assistance/Power of Attorney.** Although the obligation to file a Form 3, 4 or 5 is your personal responsibility, the Company's Chief Legal Officer and Chief Accounting Officer will assist you in coordinating your preparation and filing of these forms.

F. **Broker Procedures.** The Company intends to develop reporting relationships with the broker that executes your (and your family members' and related trusts', partnerships' or corporations') transactions in Company stock so that the broker will report your transactions in Company stock to the Company. To help ensure that the Company has the necessary information to timely make your Section 16 filings, the Company is requiring you and the broker handling your

Company stock sign a representation letter that requires the broker to verify with the Company that the transaction was pre-cleared and to report immediately to the Company in writing by e-mail or fax the details of the transaction. **If you have not yet completed and executed the Company's form Broker Instruction/Representation, then please contact the Company's Chief Legal Officer. Alternatively, the broker handling your transactions in Company stock may have its own form of broker representation letter that you may execute and provide to the Chief Legal Officer.** If at any time in the future you change your broker, then you will need to have the new broker execute the Broker Instruction/Representation. It must be provided to whomever executes your trades.

G. **Consequences of Failure to Timely File Forms.** The consequences of a late filing or a failure to file are significant:

- Public embarrassment to you and the Company as the Company must report in its annual proxy statement and Form 10-K the names of any directors or executive officers, who during the Company's preceding year, failed to file a Form 3, 4 or 5 or who even filed just one late Form 3, 4 or 5;
- Fines of up to \$5,000 for each filing violation by an individual, and up to \$500,000 for each violation by the Company; and
- The SEC has the ability to institute enforcement proceedings to obtain a cease and desist order against those who make late filings or fail to file.

3. **SHORT-SWING PROFIT RECAPTURE**

The so-called "short-swing" trading provisions contained in Section 16(b) of the 1934 Act provide that any profit you realize on a purchase and sale, or sale and purchase, of Company stock within any period of less than six months is recoverable by the Company. "Purchase" and "sale" for purposes of Section 16(b) can include, in addition to conventional purchase and sale transactions, grants of stock or stock options, transfers between accounts in an employee benefit plan and other transactions in which no money changes hands. In addition, a purchase or sale by certain related persons or entities may be matched with a sale or purchase by you or a different person or entity, resulting in potential short-swing profit liability for you. Unlike many other provisions in the federal securities laws, intent to take unfair advantage of nonpublic information is not required for recovery under Section 16(b). In other words, any purchase and sale of Company stock within six months can lead to automatic disgorgement of profits, regardless of the reasons for or purposes of the transactions. However, acquisitions of stock pursuant to the Company's stock option plan, contributions to the Company stock fund under the 401(k) plan or through payroll deductions under the Company's Employee Stock Purchase Plan are generally exempt from the short-swing liability provisions of Section 16(b).

The recovery right for short-swing profits belongs to the Company, and the Company may not waive its claim for such amounts. If the Company itself does not press a claim, then any shareholder may assert a claim for recovery of the profit for the benefit of the Company. A shareholder who is successful in maintaining an action under Section 16(b) can demand reimbursement from the Company for attorneys' fees incurred in bringing the suit. As a result,

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there are individuals who make it their business to review public ownership and trading reports on Forms 3, 4 and 5 for violations of Section 16(b), with the intention of bringing a lawsuit if a corporation fails to do so after demand by a shareholder.

Common sense and logic are not always helpful in determining whether Section 16(b) liability exists. Because of the complexities involved and to avoid potential personal financial loss, you should be extremely careful in timing your purchases and sales of Company stock. To help avoid the application of Section 16(b) to any of your trades, it is the Company's policy that you must contact the Pre-clearance Designee, in advance of making any commitment

to purchase (or otherwise acquire) or sell (or otherwise dispose of) Company stock.

4. SHORT SALE PROHIBITION

Section 16(c) of the 1934 Act prohibits directors and executive officers from making “short sales” of Company stock. A short sale is the sale of a security that you do not own or, if owned, that you do not deliver, that involves the borrowing of shares by your broker for your account, with delivery of the borrowed shares to the buying broker. Short sales of the Company’s securities evidence an expectation on the part of the seller that the securities will decline in value, and therefore signal to the market that the seller has no confidence in the Company or its short-term prospects. In addition, short sales may reduce the seller’s incentive to improve the Company’s performance. For these reasons, the Company has adopted a policy that short sales of the Company’s securities are prohibited by all of its employees.

5. RULE 144 LIMITATIONS ON SALES OF COMPANY STOCK

In addition to the limitations on trading discussed above, directors and executive officers may not sell stock of the Company unless there is a registration statement covering the sale or the sale is made pursuant to an exemption from the registration requirements of the Securities Act of 1933 (the “1933 Act”). These restrictions apply to all Company stock you hold or acquire, but vary slightly depending on whether the securities are “control shares” or “restricted shares.” Any shares of Company stock you purchase on the open market or pursuant to a registration statement (for example, one covering stock issued upon exercise of options under the Company’s stock option plan) are “control shares.” Shares of Company stock you purchase directly or indirectly from the Company or from another director or executive officer in a “private” transaction (by sale, gift or otherwise) other than in an offering registered with the SEC are “restricted shares.”

The usual exemption on which directors and executive officers rely for sales of control and restricted shares is Rule 144 under the 1933 Act. **Any public sale of Company stock by you, regardless of whether the shares are control or restricted shares, is subject to the restrictions of Rule 144, unless the sale is registered with the SEC.**

Generally, Rule 144’s restrictions require that:

- the Company must be current in filing its 1934 Act public reporting documents with the SEC (*i.e.*, Forms 10-K and 10-Q, etc.);

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- all restricted shares of Company stock sold pursuant to Rule 144 must be beneficially owned and fully paid for by you for at least one year prior to sale (this holding period requirement does not apply to control shares);
- the number of shares sold by you (and certain family members, relatives or affiliated entities) within any “floating” three-month period must not exceed the greater of 1% of the number of outstanding shares of Company stock or the average weekly trading volume of Company stock during the four weeks prior to sale;
- the sale must be effected only in a normal unsolicited brokers’ transaction; and
- **you must file with the SEC a notice of sale (in advance) on Form 144 unless the shares being sold during any “floating” three-month period do not exceed 500 in number or \$10,000 in aggregate sales price.**

The above is an extremely simplified summary of the very complex provisions of Rule 144 that may vary in impact depending on your particular factual circumstances. Also, it is important that you inform the broker through whom or to whom you sell your Company stock that you are selling the Company stock pursuant to Rule 144.

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APPENDIX A

CERTIFICATE

The undersigned employee, director and/or executive officer of Star Equity Holdings, Inc. (the “Company”) hereby certifies that:

(1) I have carefully read and understand the Statement of Company Policy Prohibiting Insider Trading in Company Stock (the “Statement”) and the attached Federal Securities Law Compliance Policy (the “Policy”) discussing certain federal securities law restrictions and requirements and Company policies and procedures applicable to my transactions in Company Stock; and

(2) I will strictly comply with the Statement and the restrictions, requirements, policies and procedures set forth in the Policy.

Signature

Print Name: _____

Title: _____

Date: _____

STAR EQUITY HOLDINGS, INC.
STATEMENT OF COMPANY POLICY PROHIBITING
INSIDER TRADING IN COMPANY STOCK

To All Star Equity Holdings, Inc. Employees, Officers and Directors:

Because the stock of Star Equity Holdings, Inc. (the “Company”) is publicly traded, there are certain important restrictions and limitations that federal securities laws impose on you relating to trading in such stock and disclosing information regarding the Company. Any violation of these restrictions may subject you to serious criminal and civil liabilities and sanctions, including criminal fines of up to \$5 million, a jail term of up to twenty years and civil penalties of up to three times the illegal profit gained or loss avoided on the stock trade, and may subject the Company to criminal penalties of up to \$25 million and civil penalties of up to the greater of \$1 million or three times the illegal profit gained or loss avoided. Such a violation would also severely damage the Company's reputation and business relationships.

In an effort to apply uniform conduct guidelines to all employees of the Company and its subsidiaries, the Company's Board of Directors has adopted the following Policy Statement, which applies to all Company personnel at every level. There are **no exceptions** for transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure). **Any violation of this Policy Statement can be expected to result in serious sanctions by the Company, including dismissal for cause of the persons involved.**

1. Prohibition against Trading on or Disclosing Material Nonpublic Information. It is the Company's policy that **if you become aware of any material information relating to the Company that has not been made available to the general public by press release or otherwise, then you, your immediate family and other individuals in your household are prohibited from purchasing or selling Company stock**. In addition, it is the Company's policy that **you and such persons are prohibited from directly or indirectly disclosing such information to any other person who may trade in Company stock**. These prohibitions will be effective until 8:00 a.m. Eastern Time on the second business day following the release of such information to the general public. You should assume that any information, positive or negative, that might affect the Company's stock price or otherwise might be important to an investor in determining whether to purchase, sell or hold Company stock would be “material.” Some examples of information that would typically be considered material include:

- earnings information (favorable or unfavorable), including annual, quarterly or monthly financial results and guidance or projections relating to future earnings performance;
- mergers, tender offers, joint ventures or material acquisitions or dispositions of assets;
- new products or services, or developments regarding clients or suppliers (e.g., the acquisition or loss of an important contract);
- changes in control of the Company or in management of the Company;

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- a change in auditors or an auditor notification that the Company may no longer rely on an auditor's audit report;
- events regarding the Company's securities (e.g., defaults on senior securities, calls of securities for redemption, repurchase plans, stock splits, changes in dividend policy, changes to the rights of security holders, financing transactions or public or private offerings of securities);
- pending significant litigation or a change in the status of litigation; and
- bankruptcies or receiverships involving the Company or parties with whom the Company has a material relationship.

It is also the Company's policy that if you become aware of any material nonpublic information in the course of your employment with the Company relating to any other company, including the Company's suppliers and customers, then you may not trade in that company's securities until the information becomes public.

2. Transactions under Company Benefit Plans. The following are special applications of the insider trading prohibition to transactions under Company benefit plans:

Stock Option Exercises. The insider trading prohibition does not apply to (a) exercises of employee stock options where you pay the exercise price in cash and you do not fund the exercise price with the sale of Company stock or (b) exercises of tax withholding rights pursuant to which you elect to have the Company withhold shares subject to an option to satisfy tax withholding requirements. However, the prohibition does apply to any sales of stock as part of a broker-assisted cashless exercise of an option or any other market sale for the purpose of generating cash to pay the exercise price of an option.

401(k) Plan. The insider trading prohibition does not apply to purchases of Company stock in the Company's 401(k) plan resulting from your periodic contribution of money to the plan pursuant to your payroll deduction election. However, the prohibition does apply to (a) an election to begin or terminate investing in the Company stock fund of the 401(k) plan other than during an enrollment period for the 401(k) plan, (b) an election to increase or decrease the percentage of your periodic contributions that will be allocated to the Company stock fund other than during an enrollment period for the 401(k) plan, (c) an election to make an intra-plan transfer of an existing account balance into or out of the Company stock fund, (d) an election to borrow money against your 401(k) plan account if the loan will result in a liquidation of some or all of your Company stock fund balance and (e) an election to pre-pay a plan loan if the pre-payment will result in allocation of loan proceeds to the Company stock fund.

Employee Stock Purchase Plan. The insider trading prohibition does not apply to purchases of Company stock under the Company's Employee Stock Purchase Plan that result from your periodic contribution of money to the Plan through payroll deductions under your existing election. However, the prohibition does apply to (a) an election to participate or terminate participation in the Plan or to increase or decrease your level of participation in the Plan, in each case other than during the annual enrollment period for the Plan, and (b) sales of Company stock purchased pursuant to the Plan.

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3. Certain Transactions. Trading on an exchange in puts, calls or other derivative securities on Company stock is prohibited at all times. Short sales of the Company's securities are also prohibited.

4. Confidentiality. If you make a disclosure of material nonpublic information about the Company (or any other company) that is not authorized, then that could cause serious problems for the Company and you, whether or not you make the disclosure for the purpose of facilitating improper trading in Company stock (or any other company's stock). It is the Company's policy that **you must keep strictly confidential all material nonpublic information that you learn regarding the Company (and all material nonpublic information that you learn in the course of your employment relating to any other company).** You may not discuss such information with anyone, except as required in your performance of regular employment duties. Similarly, you should not discuss Company affairs in public areas where your conversation may be overheard (for example, in restaurants, restrooms, elevators, etc.). This prohibition also applies to inquiries about the Company (or any other company) that the financial press, investment analysts or others in the financial community may make. It is important that all such communications on behalf of the Company be made only through Jeffrey E. Eberwein, the Company's Chief Executive Officer. If you receive any inquiries of this nature, then you should

Company's Chief Executive Officer. If you receive any inquiries of this nature, then you should decline comment and refer the person making the inquiry directly to Mr. Eberwein.

5 Company Assistance. If you have any doubts as to your responsibilities under this Policy Statement, then you should seek guidance and clarification from the Company's Chief Executive Officer or Chief Legal Officer before you act. Do not try to resolve uncertainties on your own.

The Board of Directors
Star Equity Holdings, Inc.

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Subsidiaries of Star Equity Holdings, Inc.

Subsidiary	State or jurisdiction of incorporation	Percentage owned
Hudson RPO (Aust) Pty Ltd	Australia	100 %
Hudson Global Resources Belgium NV	Belgium	100 %
Hudson Global Recursos Humanos Ltda	Brazil	100 %
Hudson Talent Solutions Canada, Inc. (f/k/a James Botrie and Associates, Inc.)	Canada	100 %
Tenpath Tech Pros ULC	Canada	100 %
Hudson RPO Solutions (Shanghai) Limited	China	100 %
Hudson COIT, Inc.	Delaware	100 %
Karani, LLC	Delaware	100 %
247Hire LLC (formerly known as 247 Talent, LLC and Tenpath, LLC)	Delaware	100 %
Hudson Highland Group Holdings International, LLC	Delaware	100 %
Hudson Talent Solutions, LLC (formerly known as Hudson RPO Holdings LLC)	Delaware	100 %
Hudson RPO Germany GmbH	Germany	100 %
Hudson RPO & Talent Solutions (Hong Kong) Limited (f/k/a Hudson RPO (Hong Kong) Limited	Hong Kong	100 %
Hudson RPO (India) Private Limited (formerly known as Hudson Talent Management (India) Private Limited)	India	100 %
247Hire India Private Limited (formerly known as Tenpath Solutions Private Limited)	India	100 %
Hunt & Badge Consulting Private Limited	India	100 %
Hudson RPO (Ireland) Limited	Ireland	100 %
Alpha Consulting Group K.K	Japan	100 %
Hudson RPO Mexico SA DE CV	Mexico	100 %
Hudson RPO (NZ) Limited	New Zealand	100 %
Hudson Talent Solutions US, Inc. (f/k/a Hudson Global Resources Management, Inc.)	Pennsylvania	100 %
Hudson RPO and Talent Solutions Philippines, Inc. (f/k/a Hudson RPO Philippines, Inc.)	Philippines	100 %
Hudson Recruitment Inc.	Philippines	25 %
Hudson RPO Sourcing Inc.	Philippines	100 %
247 Hire Inc	Philippines	100 %
Hudson Talent Solutions Poland SP ZOO	Poland	100 %
Hudson RPO (Singapore) Pte Limited	Singapore	100 %
Hudson Global Resources Switzerland AG	Switzerland	100 %
Hudson RPO Middle East LLC	United Arab Emirates	100 %
Hudson Talent Solutions UK Limited (f/k/a Hudson RPO Limited)	United Kingdom	100 %
Star Real Estate Holdings USA, Inc.	Delaware	100 %
56 Mechanic Falls Road, LLC	Delaware	100 %
106 Bremer Ave, LLC	Delaware	100 %
Star Construction Holdings, Inc.	Minnesota	100 %
KBS Builders, Inc.	Delaware	100 %
KBS Logistics, LLC.	Delaware	100 %
EdgeBuilder, Inc.	Delaware	100 %
Glenbrook Building Supply, Inc.	Delaware	100 %
Timber Technologies Solutions, Inc.	Delaware	100 %

Alliance Drilling Solutions, Inc.	Delaware	100 %
Alliance Drilling Tools, LLC.	Wyoming	100 %
Star Value Investments, LLC	Delaware	100 %
Star Equity Fund GP, LLC	Delaware	100 %
Star Equity Fund, LP	Delaware	100 %
Star Investment Management, LLC	Connecticut	100 %
Star Equity Investment Holdings, LLC	Delaware	100 %
Star Operating Companies, Inc.	Delaware	100 %

Listed above are certain directly or indirectly owned Star Equity Holdings, Inc. subsidiaries included in the Consolidated Financial Statements of Star Equity Holdings, Inc. Unlisted subsidiaries, considered in the aggregate, do not constitute a significant subsidiary.

Consent of Independent Registered Public Accounting Firm

Star Equity Holdings, Inc.
Old Greenwich, Connecticut

We hereby consent to the incorporation by reference in the registration statement on Form S-3 (No. 333-265936) and Form S-8 (Nos. 333-265122, 333-212941, 333-182973, 333-176007, 333-161170, 333-161171, 333-126915, 333-117005, 333-117006, 333-104212, 333-104210, and 333-104209) of Star Equity Holdings, Inc. of our report dated March 20, 2026, relating to the Consolidated Financial Statements which appear in this Annual Report on Form 10-K.

/s/ Wolf & Company, P.C.

Boston, Massachusetts

March 20, 2026

CERTIFICATIONS

I, Jeffrey E. Eberwein, certify that:

1. I have reviewed this annual report on Form 10-K of Star Equity Holdings, 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 function):
 - 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.

Dated: March 20, 2026

/s/ JEFFREY E. EBERWEIN

Jeffrey E. Eberwein
Chief Executive Officer

CERTIFICATIONS

I, Matthew Diamond, certify that:

1. I have reviewed this annual report on Form 10-K of Star Equity Holdings, 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 function)
 - 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.

Dated: March 20, 2026

/s/ MATTHEW K. DIAMOND

Matthew K. Diamond
Chief Accounting Officer

**Written Statement of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

Solely for the purposes of complying with 18 U.S.C. Section 1350, I, the undersigned Chief Executive Officer of Star Equity Holdings, Inc. (the "Company"), hereby certify, based on my knowledge, that the Annual Report on Form 10-K of the Company for the year ended December 31, 2025 (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/ JEFFREY E. EBERWEIN

Jeffrey E. Eberwein

March 20, 2026

**Written Statement of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

Solely for the purposes of complying with 18 U.S.C. Section 1350, I, the undersigned Chief Accounting Officer of Star Equity Holdings, Inc. (the "Company"), hereby certify, based on my knowledge, that the Annual Report on Form 10-K of the Company for the year ended December 31, 2025 (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/ MATTHEW K. DIAMOND

Matthew K. Diamond

March 20, 2026

STAR EQUITY HOLDINGS, INC.
INCENTIVE-BASED COMPENSATION CLAWBACK POLICY

Star Equity Holdings, Inc. (“Company”) has adopted this clawback policy (the “Policy”) as a supplement to any other clawback policies in effect now or in the future at the Company. To the extent this Policy applies to compensation payable to a covered person, it shall be the only clawback policy applicable to such compensation and no other clawback policy shall apply. However, notwithstanding the last sentence, if another Company policy provides that a greater amount of compensation shall be subject to clawback, such other policy shall apply, but only, to the amount in excess of the amount subject to clawback under this Policy.

This Policy shall be interpreted to comply with the clawback rules found in 229 C.F.R. §240.10D and Nasdaq Listing Rule 5608, which took effect on October 2, 2023 (collectively, the “Rule”). To the extent this Policy is in any manner deemed inconsistent with the Rule, this Policy shall be treated as retroactively amended to be compliant with the Rule.

1. **Definitions.** As used in the Policy, the following capitalized terms shall have the meanings set forth in this Section 1. Terms used herein shall at all times be interpreted in accordance with 229 C.F.R. §240.10D-1(d) and any other guidance that may be issued under the Rule.

(a) “Executive Officer” shall mean the Company’s president, principal financial officer, principal accounting officer, 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 policy-making function, or any other person who performs similar policy-making functions for the Company. Executive Officers of the Company’s subsidiaries are deemed Executive Officers of the Company if they perform such policy making functions for the Company. Identification of an Executive Officer for purposes of this Policy includes, at a minimum, Executive Officers identified pursuant to 17 C.F.R. §229.401(b).

(b) “Financial Reporting Measure” means measures, including but not limited to stock price and total shareholder return, that are 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. A Financial Reporting Measure need not be presented within the financial statements or included in a filing with the Securities Exchange Commission.

(c) “Incentive-Based Compensation” means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of one or more Financial Reporting Measures.

2. **Application of the Policy.** This Policy shall only apply in the event that the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct one or more errors in a previously issued financial statements that is or are material to such financial statements, or that would result in a material misstatement if the error or errors were corrected in the current period or left uncorrected in the current period.

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3. **Recovery Period.** The Incentive-Based Compensation subject to clawback is the Incentive-Based Compensation Received during the three completed fiscal years immediately preceding the

based compensation received during the three completed fiscal years immediately preceding the date that the Company is required to prepare an accounting restatement as described in Section 2, provided that the person served as an Executive Officer at any time during the performance period applicable to the Incentive-Based Compensation in question. The date that the Company is required to prepare an accounting restatement shall be determined pursuant to 229 C.F.R. §240.10D-1(b)(1)(ii).

(a) For purposes of this Policy, Incentive-Based Compensation is deemed “Received” in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of such period.

(b) Notwithstanding anything to the contrary, this Policy shall only apply if the Incentive-Based Compensation is Received on or after October 2, 2023.

(c) To the extent applicable, 229 C.F.R. §240.10D-1(b)(1)(i) shall govern certain circumstances under which the Policy will apply to Incentive-Based Compensation Received during a transition period arising due to a change in the Company’s fiscal year.

4. Erroneously Awarded Compensation. The amount of Incentive-Based Compensation subject to clawback pursuant to this Policy (“Erroneously Awarded Compensation”) is the amount of Incentive-Based Compensation Received that exceeds the amount of Incentive Based-Compensation that otherwise would have been Received had it been determined based on the restated amounts and shall be computed without regard to any taxes paid. For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an accounting restatement:

(a) the amount shall be based on a reasonable estimate of the effect of the accounting restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was received; and

(b) the Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to the exchange on which the Company’s shares are listed.

5. Recovery of Erroneously Awarded Compensation. The Company shall recover reasonably promptly any Erroneously Awarded Compensation except to the extent that the conditions of paragraphs (a), (b), or (c) below apply. The Compensation Committee of the Company’s Board of Directors (the “Committee”) shall determine the repayment schedule for each amount of Erroneously Awarded Compensation in a manner that complies with the Rule’s “reasonably promptly” requirement. Such determination shall be consistent with any applicable legal guidance, by the SEC, judicial opinion, or otherwise. The determination of “reasonably promptly” may vary from case to case and the Committee is authorized to adopt additional rules to further describe what repayment schedules satisfy this requirement.

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(a) Erroneously Awarded Compensation need not be recovered if the direct expense paid to a third party to assist in enforcing the Policy (e.g., reasonable legal expenses and consulting fees) would exceed the amount to be recovered and the Committee makes a determination that recovery would be impracticable. However, before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on expense of enforcement, the Company shall make a reasonable attempt to recover such Erroneously Awarded Compensation, establish that the direct costs of recovery exceed the recovery amounts, document such reasonable attempt(s) to recover, and provide such documentation to the exchange on which the Company’s shares are listed.

(b) Erroneously Awarded Compensation need not be recovered if recovery would violate home country law, provided such law was adopted prior to November 28, 2022. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law, the Company shall obtain an opinion of home country counsel, acceptable to the exchange on which the Company's shares are listed, that recovery would result in such a violation and shall provide such opinion to such exchange.

(c) Erroneously Awarded Compensation need not be recovered if recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company or its subsidiaries, to fail to meet the requirements of Sections 401(a)(13) or 411(a) of the Internal Revenue Code of 1986, as amended, and regulations thereunder.

6. Committee decisions. Decisions of the Committee with respect to this Policy shall be final, conclusive, and binding on all Executive Officers subject to this Policy, unless determined to be an abuse of discretion.

7. No Indemnification. Notwithstanding anything to the contrary in any other policy of the Company or any agreement between the Company and an Executive Officer, no Executive Officer shall be indemnified by the Company against the loss of any Erroneously Awarded Compensation.

8. Agreement to Policy by Executive Officers. The Committee shall take reasonable steps to inform Executive Officers of this Policy and obtain their acknowledgement of this Policy, which steps may include the inclusion of this Policy as an attachment to any award that is or has been accepted by the Executive Officer.

