

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

**FORM 8-K/A**

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

Date of Report (Date of earliest event reported): **May 6, 2025**

**STEVEN MADDEN, LTD.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**000-23702**  
(Commission  
File Number)

**13-3588231**  
(IRS Employer  
Identification No.)

**52-16 Barnett Avenue**  
**Long Island City, New York**  
(Address of principal executive offices)

**11104**  
(Zip Code)

**(718) 446-1800**  
(Registrant's telephone number, including area code)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

<b>Title of each class</b>	<b>Trading symbol(s)</b>	<b>Name of each exchange on which registered</b>
Common Stock, par value \$0.0001 per share	SHOO	The NASDAQ Stock Market LLC

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

Emerging growth company

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

## EXPLANATORY NOTE

On May 6, 2025 (the “Closing Date”), Steven Madden, Ltd. (the “Company”) completed the previously-announced acquisition of the entire issued share capital of Mercury Acquisitions Topco Limited (“MATL”), a private limited company incorporated under the laws of Jersey and the holding company for the Kurt Geiger business (the “Transaction”). The Company filed a Current Report on Form 8-K in connection with the Transaction on May 7, 2025 (the “Original Report”). This Current Report on Form 8-K/A amends the Original Report to include the pro forma financial information required by Item 9.01(a) and Item 9.01(b). Except as provided herein, the disclosures made in the Original Report remain unchanged.

The text of the Original Report is incorporated herein by reference. Capitalized terms not otherwise defined herein shall have the respective meanings ascribed to them in the Original Report.

The pro forma financial information included in this report has been presented for informational purposes only. It does not purport to represent the actual results of operations that the Company and MATL would have achieved had the companies been combined during the periods presented in the pro forma financial information and is not intended to project the future results of operations that the combined company may achieve.

### Item 9.01. Financial Statements and Exhibits.

*(a) Financial statements of businesses or funds acquired.*

The audited financial statements of MATL, collectively with its consolidated subsidiaries, as of and for the year ended February 1, 2025, together with the notes thereto and the independent auditor’s report thereon, are filed as Exhibit 99.1 and incorporated herein by reference.

*(b) Pro forma financial information.*

The unaudited pro forma combined financial statements of the Company giving effect to the Transaction as of and for the year ended December 31, 2024, and the related notes thereto, are filed as Exhibit 99.2 and incorporated herein by reference.

*(d) Exhibits.*

### Exhibit Index

<b>Exhibit No.</b>	<b>Description</b>
23.1	<a href="#">Consent of Grant Thornton, independent auditor of Mercury Acquisitions Topco Limited.</a>
99.1	<a href="#">Mercury Acquisitions Topco Limited and Subsidiaries Audited Financial Statements.</a>
99.2	<a href="#">Steven Madden, Ltd. Unaudited Pro Forma Combined Financial Statements.</a>
104	Cover Page Interactive Data File. The cover page XBRL tags are embedded within the inline XBRL document.

SIGNATURES

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

**STEVEN MADDEN, LTD.**

Date July 16, 2025

*/s/ Edward R. Rosenfeld*

Name: Edward R. Rosenfeld

Title: Chairman and Chief Executive Officer

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**CONSENT OF INDEPENDENT AUDITORS**

We have issued our report dated July 16, 2025 with respect to the consolidated financial statements of Mercury Acquisitions Topco Limited included in Current Report of Steven Madden, Ltd. on Form 8-K filed on July 16, 2025. We consent to the incorporation by reference of the aforementioned report in the Registration Statements of Steven Madden Ltd. on Forms S-8 File Nos. 333-231874, 333-160520, 333-138584, 333-184564, and 333-283163.

/s/ Grant Thornton

Dublin, Ireland  
July 16, 2025

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## **Independent Auditor’s Report**

To the Members of Mercury Acquisitions Topco Limited

### **Opinion**

We have audited the consolidated financial statements of Mercury Acquisitions Topco Limited and subsidiaries (the “Company”), which comprise the consolidated balance sheet as of February 1, 2025, and the related consolidated statement of operations, comprehensive loss, changes in stockholders’ deficit, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of February 1, 2025, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (“US GAAP”).

### **Basis for opinion**

We conducted our audit of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (“US GAAS”). Our responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit, which includes AICPA Code of Professional Conduct and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstance for the Company. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor’s responsibilities for the audit of the financial statements**

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

In performing an audit in accordance with US GAAS, we:

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

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

/s/ GRANT THORNTON

Dublin, Ireland

July 16, 2025

MERCURY ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

Consolidated Balance Sheet

<i>(in thousands)</i>	As of February 1, 2025
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,609
Accounts receivable, net of allowances of \$503	28,625
Inventories	152,896
Prepaid expenses and other current assets	17,709
<b>Total current assets</b>	<b>200,839</b>
Property and equipment, net	32,629
Operating lease right-of-use asset	61,281
Goodwill	99,671
Intangibles, net	61,929
<b>Total Assets</b>	<b>\$ 456,349</b>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 80,411
Accrued expenses	47,116
Operating leases - current portion	8,906
Income taxes payable	228
<b>Total current liabilities</b>	<b>136,661</b>
Operating leases - long-term portion	61,370
Deferred tax liabilities	8,873
Shareholder loans (related party)	495,996
Long-term debt, net of debt issuance costs	83,312
<b>Total Liabilities</b>	<b>\$ 786,212</b>
Commitments, contingencies and other (Note 9)	
<b>STOCKHOLDERS' DEFICIT</b>	
Common stock	\$ 69
Additional paid-in capital	7,056
Accumulated deficit	(345,309)
Accumulated other comprehensive income	7,686
<b>Total Mercury Acquisitions Topco Limited stockholders' deficit</b>	<b>(330,498)</b>
Noncontrolling interest	635
<b>Total Stockholders' Deficit</b>	<b>\$ (329,863)</b>
<b>Total Liabilities and Stockholders' Deficit</b>	<b>\$ 456,349</b>

See accompanying notes to consolidated financial statements

MERCURY ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

Consolidated Statement of Operations

<i>(in thousands)</i>	<b>For the Year Ended February 1, 2025</b>	
Total revenue	\$	<b>511,758</b>
Cost of sales		<b>232,922</b>
Gross profit		<b>278,836</b>
Operating expenses		<b>254,853</b>
Income from operations		<b>23,983</b>
Interest and other expense - net		<b>(68,594)</b>
Loss before provision for income taxes		<b>(44,611)</b>
Provision for income taxes		<b>7,424</b>
<b>Net loss</b>	<b>\$</b>	<b>(52,035)</b>

*See accompanying notes to consolidated financial statements*

MERCURY ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

Consolidated Statement of Comprehensive Loss

	For the Year Ended February 1, 2025
<i>(in thousands)</i>	
<b>Net loss</b>	<b>\$ (52,035)</b>
Foreign currency translation adjustment	8,111
<b>Comprehensive loss</b>	<b>\$ (43,924)</b>

See accompanying notes to consolidated financial statements

MERCURY ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

Consolidated Statement of Changes in Stockholders' Deficit

<i>(in thousands)</i>	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income / (Loss)	Noncontrolling Interest	Accumulated Deficit	Total Stockholders' Deficit
<b>Balance - February 3, 2024</b>	\$ 69	\$ 7,056	\$ (425)	\$ 635	\$ (293,274)	\$ (285,939)
Net loss	—	—	—	—	(52,035)	(52,035)
Foreign currency translation adjustment	—	—	8,111	—	—	8,111
<b>Balance - February 1, 2025</b>	<u>\$ 69</u>	<u>\$ 7,056</u>	<u>\$ 7,686</u>	<u>\$ 635</u>	<u>\$ (345,309)</u>	<u>\$ (329,863)</u>

See accompanying notes to consolidated financial statements

MERCURY ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

Consolidated Statement of Cash Flows

<i>(in thousands)</i>	<b>For the Year Ended February 1, 2025</b>	
<b>Cash flows from operating activities:</b>		
Net loss	\$	(52,035)
Adjustments to reconcile net loss to net cash provided by operating activities		
Payment-in-kind interest expense		56,886
Depreciation and amortization		24,035
Loss on disposal of assets		421
Deferred taxes		(98)
Changes in:		
Accounts receivable, net		(3,309)
Inventories		(15,032)
Prepaid expenses and other current assets		(4,899)
Accounts payable and accrued expenses		13,354
Interest payable		809
<b>Net cash provided by operating activities</b>		<b>20,132</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures		(18,891)
Purchase of a trademark		(265)
<b>Net cash used in investing activities</b>		<b>(19,156)</b>
<b>Cash flows from financing activities:</b>		
Repayment of long-term debt		(483)
Financing costs paid		(29)
Net cash used in financing activities		(512)
Effect of exchange rate changes on cash and cash equivalents		40
<b>Net change in cash and cash equivalents</b>		<b>504</b>
Cash and cash equivalents – beginning of year		1,105
<b>Cash and cash equivalents – end of year</b>	<b>\$</b>	<b>1,609</b>
<b>Supplemental disclosures of cash flow information:</b>		
<b>Cash paid during the year for:</b>		
Interest	\$	10,632
Income taxes	\$	7,439

See accompanying notes to consolidated financial statements

**MERCURY ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*All figures discussed in these notes to our consolidated financial statements are in thousands.*

**Note 1 – Nature of Operations**

Mercury Acquisitions Topco Limited and its consolidated subsidiaries (collectively, the “Company”, “we”, or “our”) are engaged in the design, distribution and retailing of high-quality branded shoes and accessories through our direct-to-consumer channel, which is comprised of e-commerce and company-operated retail stores, as well as through the wholesale channel, and operates third-party concessions within premium and luxury department stores. The Company operates primarily in the UK, U.S., and Europe and its brands include Kurt Geiger London, KG Kurt Geiger, and Carvela.

**Note 2 – Basis of Presentation and Summary of Significant Accounting Policies**

***Basis of Presentation***

The consolidated financial statements include the accounts of Mercury Acquisitions Topco Limited and its subsidiaries, which include: Mercury Midco 1 Ltd (UK); Mercury Midco 2 Ltd (UK); Mercury Acquisitions Ltd (UK); Kurt Geiger Topco Ltd (Cayman Islands); Jasper Footwear Ltd (UK); KG Group Holdings Ltd (UK); and Kurt Geiger Ltd (UK) and its subsidiaries. The consolidated financial statements were prepared in conformity with generally accepted accounting principles in the United States of America (“U.S. GAAP”).

The interests of non-controlling shareholders in these consolidated entities are presented as noncontrolling interest in the Consolidated Balance Sheet only and there is no loss attributable to noncontrolling interest in the Consolidated Statement of Operations as no income or capital distribution shall be made to the non-controlling interest as per the articles of association.

All intercompany balances and transactions have been eliminated in consolidation.

The Company’s fiscal year ends on the Saturday closest to January month-end. Accordingly, the Company’s fiscal year 2025 ended on February 1, 2025 and its fiscal year 2024 ended on February 3, 2024.

***Use of Estimates***

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the following: the reported amounts of assets and liabilities and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Significant areas involving management estimates include inventory valuation, goodwill and other intangible assets valuation, the valuation of operating leases which include, but are not limited to, the determination of the lease term, the incremental borrowing rate used to discount lease liabilities, and the evaluation of right-of-use assets for impairment, and variable consideration as part of revenue recognition, including chargebacks, markdown allowances, discounts, returns, and compliance-related deductions. The Company estimates variable consideration by analyzing several performance indicators for its major customers, including retailers’ inventory levels, sell-through rates, and gross margin levels. Management continuously evaluates these factors to estimate anticipated chargebacks and allowances.

**MERCURY ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

***Cash and Cash Equivalents***

Cash and cash equivalents consist of cash balances and highly liquid investments with an original maturity of three months or less as of the date of purchase.

***Inventories***

Inventories consist of finished goods, both on hand and in transit, and are recorded at the lower of cost (determined using the first-in, first-out method) or net realizable value.

***Property and Equipment, Net***

Property and equipment, net is recorded at cost less accumulated depreciation and amortization including the impact of impairments and disposals. Depreciation and amortization is calculated using the straight-line method over estimated useful lives ranging from three to ten years. Leasehold improvements are amortized on a straight-line basis over the shorter of their estimated useful lives or the remaining lease term. Refer to Note 4 – Property and Equipment for further information.

***Impairment of Long-Lived Assets***

Long-lived assets, including property, equipment, finite-lived intangible assets, and operating lease right-of-use (“ROU”) assets, are assessed for impairment whenever events or changes in circumstances suggest that the carrying amount may not be recoverable. Recoverability is evaluated by comparing the asset or asset group’s carrying value to the Company’s best estimate of undiscounted future cash flows. If the carrying value is in excess of the estimated undiscounted future cash flows, the Company will measure any impairment loss by comparing the carrying value of the asset or asset group to its fair value.

When estimating future cash flows, the Company considers various factors, including macroeconomic trends, consumer spending, capital investments, promotional activities, and advertising expenditures. As these estimates require significant judgment, actual results may differ, potentially leading to future impairments.

Fair value is generally determined using a discounted cash flow (“DCF”) model or market approach, depending on the availability of market data and the nature of the asset. Under the DCF model, significant assumptions include estimates of future cash flows and discount rates, which reflect the risks associated with the expected future cash flows. When sufficient market data is available, the Company may apply a market approach by considering comparable market transactions, quoted market prices for similar assets, or appraisals when available.

***Impairment of Goodwill***

The Company’s goodwill is not amortized but is tested for impairment annually, or more frequently if events or circumstances indicate potential impairment.

In accordance with applicable accounting guidance, impairment may be assessed using a qualitative evaluation of relevant factors, including historical and expected financial performance, macroeconomic and industry conditions, and the legal and regulatory environment. If qualitative factors suggest it is more likely than not that the fair value of an intangible asset or reporting unit is lower than its carrying amount, a quantitative impairment test is performed. As part of its ongoing assessment, the Company periodically conducts a quantitative impairment analysis instead of a qualitative assessment. If the fair value of an intangible asset or reporting unit is less than its carrying amount, an impairment loss is recognized, limited to the intangible asset or reporting unit’s carrying value.

***Long-Term Debt***

Long-term debt is recorded at the principal amount outstanding, net of unamortized debt issuance costs. Debt is classified as current or noncurrent based on scheduled maturities.

Debt issuance costs related to the long-term debt are presented as a direct deduction from the carrying amount of the related liability. These costs are amortized over the term of the debt using the effective interest method and recorded as interest expense in the Consolidated Statement of Operations.

**MERCURY ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

***Comprehensive Loss***

Comprehensive loss represents net earnings plus all other non-owner changes in equity, including foreign currency translation adjustments.

***Advertising Costs***

Advertising costs are expensed as incurred and are included within operating expenses in the Consolidated Statement of Operations. For the year ended February 1, 2025 advertising costs were \$27,532.

***Revenue Recognition***

The Company recognizes revenue when it satisfies performance obligations identified under customer contracts, typically upon the transfer of control in accordance with the contractual terms and conditions of the sale. Most of the Company's revenue is recognized at a point in time when the product is shipped or delivered to the customer, depending on contractual terms. For sales that occur at a Company-operated retail store or concession, revenue is recognized at the point of sale. Revenue is measured as the amount of consideration the Company expects to receive in exchange for goods, including estimates for variable consideration.

For the year ended February 1, 2025, revenues by geographical region were as follows:

*(in thousands)*

United Kingdom	\$	<b>268,259</b>
North America		<b>188,538</b>
Europe		<b>43,481</b>
Rest of the World		<b>11,480</b>
Total	\$	<b><u>511,758</u></b>

***Variable Consideration***

The Company's variable consideration includes markdown allowances and estimated rights of return. These costs are deducted from gross sales to arrive at net sales in the Company's Consolidated Statement of Operations.

***Markdown Allowances.*** The Company provides markdown allowances to its retailer customers, which are recorded as a reduction of revenue in the period in which the branded footwear and accessories revenues are recognized. The Company estimates its markdown allowances by reviewing several performance indicators, including retailers' inventory levels, sell-through rates, and gross margin levels.

***Rights of Return.*** The Company's Direct-to-Consumer business (e.g., e-commerce and Company-operated retail stores) typically accepts returns within 14 days from the date of sale related to in-store purchases or 30 days from the date of delivery related to online purchases for unworn merchandise that can be resold. The Company estimates returns based on historical trends and current market conditions, which have historically not been material. In cases where wholesale customers return damaged products, the Company typically recovers costs from the responsible third-party factory.

***Taxes Collected from Customers***

The Company accounts for certain taxes collected from its customers in accordance with the accounting guidance that allows for either gross presentation (included in revenue and costs) or net presentation (excluded from revenue). Taxes within the scope of this accounting guidance includes value-added taxes. The Company has elected the net presentation approach and excludes from revenue any taxes collected from customers.

**MERCURY ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

***Cost of Sales***

Cost of sales includes all expenses incurred to bring finished products to the Company's distribution centers, customers' freight forwarders, and to the Company's stores (excluding depreciation and amortization). These costs include finished product costs, purchase commissions, letter of credit fees, brokerage fees, sample expenses, custom duties, inbound freight, and labels and packaging. Warehouse and distribution costs related to the wholesale business, as well as freight costs to customers (if applicable), are recorded in operating expenses, rather than in cost of sales, in the Company's Consolidated Statement of Operations.

***Warehouse and Shipping Costs***

The Company includes warehouse and shipping costs in operating expenses in the Consolidated Statement of Operations. For the year ended February 1, 2025 total warehouse and shipping costs were \$8,102. Costs associated with shipping goods to customers are accounted for as fulfillment activities and reflected as operating expenses in the Consolidated Statement of Operations.

***Income Taxes***

The Company accounts for income taxes using the asset and liability method, recognizing deferred tax assets and liabilities for the expected future tax consequences of temporary differences between financial reporting and tax bases of assets and liabilities, as well as for operating losses and tax credit carryforwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates applicable to taxable income for the periods in which these assets and liabilities are expected to be realized or settled. The Company records a valuation allowance to reduce deferred tax assets to the amount that is more likely than not to be realized.

The Company recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained upon examination by taxing authorities, based on its technical merits. Recognized tax benefits are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement. Refer to Note 7 – Income Taxes for further information.

***Leases***

The Company leases office space, sample production space, warehouses, showrooms, storage units, and retail stores under operating leases. The Company's portfolio of leases is primarily related to real estate.

The Company accounts for leases in accordance with Accounting Standards Codification ("ASC") Topic 842, "Leases", which requires recognition of ROU assets and lease liabilities on the balance sheet for leases with terms greater than 12 months. Lease liabilities are measured at the present value of lease payments over the lease term, and ROU assets are measured based on the corresponding lease liability, adjusted for lease incentives and other direct costs. Since most of the Company's leases do not provide a readily determinable implicit rate, the Company estimates its incremental borrowing rate, using information available at lease commencement, to discount the lease payments when measuring the lease liability.

The Company has elected the short-term lease exemption for leases with terms of 12 months or less, whereby such leases are not recognized on the balance sheet and lease expense is recognized on a straight-line basis over the lease term.

Some of the Company's retail store leases provide for variable lease payments based on sales volumes at the leased locations. Because these variable lease payments cannot be measured at lease inception, they are excluded from the initial measurement of the ROU assets and lease liabilities and instead are expensed as incurred in accordance with ASC 842.

**MERCURY ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Certain of the Company's retail store leases include rent provisions that vary over the lease term, with rent in the first year based solely on a percentage of sales and rent in subsequent years equal to the greater of a fixed base rent or a percentage of sales. Consistent with ASC 842, first-year payments are excluded from the initial lease liability and ROU asset measurement and recognized as variable lease expense when incurred. From year two onward, the fixed base rent is included in the lease liability and ROU asset measurement with any excess sales-based rent treated as variable lease expense. On an as needed basis throughout the remainder of the lease term, the Company remeasures the lease liability and ROU asset for any new fixed base rent amounts.

ROU assets and other long-lived assets are evaluated for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. For stores with impairment indicators, the Company performs a recoverability test, comparing estimated undiscounted cash flows to the carrying value of the related long-lived assets. If the carrying value exceeds the estimated undiscounted cash flows, the assets are written down to fair value. Fair values of the long-lived assets are determined using an income approach, incorporating management's cash flow projections and market rental rate estimates. Significant estimates are used in determining future cash flows of each store over its remaining lease term, including the Company's expectations of future projected cash flows. An impairment loss is recorded if the carrying amount of the long-lived asset group exceeds its fair value.

The Company's leases have initial terms ranging from one to 15 years and may have renewal or early termination options ranging from one to 10 years. A majority of the retail store leases provide for contingent rental payments if gross sales exceed certain targets. In addition, many of the leases contain rent escalation clauses to compensate for increases in operating costs and real estate taxes. Rent expense is calculated by amortizing total base rental payments (net of any rental abatements, construction allowances, and other rental concessions), on a straight-line basis, over the lease term. When renewal or termination options are deemed reasonably certain, they are included in the determination of the lease term and calculation of the ROU asset and lease liability.

***Foreign Currency Translation***

Adjustments resulting from translating functional currency (mostly British Pounds) financial statements into U.S. Dollars are included in the foreign currency translation adjustment, a component of accumulated other comprehensive income. Assets and liabilities are translated at period-end exchange rates, while income and expenses are translated at average exchange rates for the period. During the year ended February 1, 2025, the Company recorded \$8,111 of foreign currency translation adjustment in accumulated other comprehensive income.

***Fair Value Measurements***

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company measures certain assets and liabilities at fair value in accordance with ASC 820, Fair Value Measurement, defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, using a three-level hierarchy based on the inputs in valuation. Level 1 uses quoted prices in active markets for identical assets and liabilities. Level 2 uses observable inputs other than quoted prices. Level 3 uses unobservable inputs reflecting the Company's own assumptions. The Company prioritizes observable inputs over unobservable inputs when measuring fair value.

The carrying amounts of certain financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable, approximate fair value due to their short-term nature.

The Company's bank debt (i.e., credit facilities) is recorded at amortized cost using the effective interest method, and management believes that the carrying amount approximates fair value based on the interest rates currently available for similar borrowings with comparable terms and maturities.

The Company has shareholder loans with related parties that bear interest at a fixed rate of 12% per annum, with all principal and accrued interest due in 2046. Due to the related-party nature, long-dated maturity, fixed-rate terms and payment-in-kind features that do not have observable market comparables, the Company concluded that it is not practicable to estimate the fair value of these shareholder loans.

**MERCURY ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

***Concentrations of Credit Risk***

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and accounts receivable. The Company places its cash with high credit quality financial institutions and, at times, balances may exceed insured limits. Credit risk with respect to accounts receivable is generally diversified across a number of customers and geographic regions. The Company monitors credit risk on an ongoing basis and maintains an allowance for expected credit losses based on historical experience and specific customer information.

**Note 3 – Recent Accounting Pronouncements**

***Recently Issued Accounting Pronouncements Not Yet Adopted***

In August 2023, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2023-05, “Business Combinations – Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement,” which is intended to provide guidance for the formation of a joint venture, including the initial measurement of assets and liabilities, the formation date, and basis of accounting. This new standard will be effective for annual reporting periods beginning on or after January 1, 2025, with early adoption permitted. The Company is currently evaluating the impact of ASU 2023-05; however, at the current time, the Company does not expect this ASU will have a material impact on its consolidated financial statements.

In December 2023, the FASB issued ASU No. 2023-09, “Income Taxes (Topic 740),” which is intended to provide greater transparency in various income tax components that affect the rate reconciliation based on the applicable taxing jurisdictions, as well as the qualitative and quantitative aspects of those components. This new standard will be effective for annual reporting periods beginning on or after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of ASU 2023-09. The Company does not expect that this ASU will have a material impact on its consolidated financial statements, but it will require increased income tax disclosures within the notes to our consolidated financial statements.

In November 2024, the FASB issued ASU No. 2024-03, “Income Statement - Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40),” which requires disaggregation of certain expense captions into specified categories in disclosures. This new standard will be effective for annual reporting periods beginning after December 15, 2026, with early adoption permitted. The Company is currently evaluating the impact of ASU 2024-03. The Company does not expect that this ASU will have a material impact on its consolidated financial statements, but it will require increased disclosures within the notes to our consolidated financial statements.

The Company has considered all new accounting pronouncements and has concluded that there are no additional pronouncements that may have a material impact on its results of operations, financial condition, and cash flows.

**MERCURY ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**Note 4 – Property and Equipment**

The major classes of assets and total accumulated depreciation and amortization were as follows:

<i>(in thousands)</i>	<u>Average Useful Life</u>	<u>As of February 1, 2025</u>
Leasehold improvements	10 years	\$ 3,495
Machinery and equipment	5 years	988
Furniture and fixtures	5 years	99,996
Computer equipment and software	3 years	58,288
Construction in progress		1,720
		<u>164,487</u>
Less: accumulated depreciation and amortization		<u>(131,858)</u>
Property and equipment, net		<u>\$ 32,629</u>

Depreciation of leasehold improvements is recorded using the straight-line method based upon the shorter of the remaining terms of the leases, including renewal periods that are reasonably assured, or the estimated useful lives. Depreciation and amortization expense related to property and equipment, which includes amortization expense of \$4,438 for computer software, was \$16,727 for the year ended February 1, 2025, and is included in operating expenses in the Company's Consolidated Statement of Operations.

**Note 5 – Goodwill and Other Intangible Assets**

The following table provides a rollforward of the carrying amount of goodwill as of February 1, 2025:

<i>(in thousands)</i>	<u>Net Carrying Amount</u>
Balance at February 3, 2024	\$ 101,976
Translation	(2,305)
Balance at February 1, 2025	<u>\$ 99,671</u>

The following tables summarizes the Company's other intangible assets as of February 1, 2025, which consists of trademarks and customer relationships amortized over their useful lives:

<i>(in thousands)</i>	<u>Average Useful Life</u>	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Amount</u>
Trademarks	20 years	\$ 79,624	\$ (36,516)	\$ 43,108
Customer relationships	16-17 years	88,891	(70,070)	18,821
Balance at February 1, 2025		<u>\$ 168,515</u>	<u>\$ (106,586)</u>	<u>\$ 61,929</u>

The gross carrying amount and accumulated amortization of certain intangible assets as of February 1, 2025 include the impact of changes in foreign currency exchange rates.

**MERCURY ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

***Amortization***

Amortization expense related to finite-lived intangible assets amounted to \$7,308 for the year ended February 1, 2025 and was included in operating expenses in the Company's Consolidated Statement of Operations. The estimated future amortization expense for finite-lived intangible assets as of February 1, 2025 is as follows:

<i>(in thousands)</i>		
2026	\$	6,642
2027		6,596
2028		6,551
2029		6,493
2030		6,461
Thereafter		29,186
<b>Total</b>	<b>\$</b>	<b>61,929</b>

**Note 6 – Leases**

The following table presents the lease-related assets and liabilities recorded on the Consolidated Balance Sheet as of February 1, 2025:

<i>(in thousands)</i>		<b>Balance Sheet Classification</b>	<b>As of February 1, 2025</b>
<b>Assets:</b>			
Noncurrent		Operating lease right-of-use asset	\$ 61,281
<b>Liabilities:</b>			
Current		Operating leases - current portion	\$ 8,906
Noncurrent		Operating leases - long-term portion	61,370
<b>Total operating lease liabilities</b>			<b>\$ 70,276</b>
<b>Weighted-average remaining lease term</b>			<b>8.0 years</b>
<b>Weighted-average discount rate</b>			<b>5.6%</b>

The following table presents the composition of lease costs during the year ended February 1, 2025:

<i>(in thousands)</i>		<b>Year Ended February 1, 2025</b>
Operating lease cost	\$	10,672
Variable lease cost		367
Short-term lease cost		1,839
<b>Total lease cost<sup>(1)</sup></b>	<b>\$</b>	<b>12,878</b>

(1) Included in operating expenses on the Company's Consolidated Statement of Operations.

The following table presents supplemental cash and non-cash information related to the Company's operating leases during the year ended February 1, 2025:

<i>(in thousands)</i>		<b>Year Ended February 1, 2025</b>
<b>Cash paid for amounts included in the measurement of lease liabilities:</b>		
Operating cash flows used for operating leases <sup>(1)</sup>	\$	12,030

(1) Included in accounts payable and accrued expenses in the Consolidated Statement of Cash Flows.

**MERCURY ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

***Future Minimum Lease Payments***

The following table presents future minimum lease payments for each of the next five years and the total for the remaining years as of February 1, 2025:

<i>(in thousands)</i>	
2026	\$ 11,444
2027	11,850
2028	11,141
2029	10,676
2030	10,050
Thereafter	31,754
Total minimum lease payments	<u>86,915</u>
Less: imputed interest	16,639
Total lease liabilities	<u>\$ 70,276</u>

Rent expense for the year ended February 1, 2025 was approximately \$11,765.

**Note 7 – Income Taxes**

The components of income before income taxes were as follows:

<i>(in thousands)</i>	Year Ended February 1, 2025
Foreign	\$ (44,611)
	<u>\$ (44,611)</u>

The components of provision for income taxes were as follows:

<i>(in thousands)</i>	Year Ended February 1, 2025
Current:	
Foreign	\$ 7,522
Deferred:	
Foreign	(98)
	<u>\$ 7,424</u>

A reconciliation between income taxes computed at the federal statutory rate and the effective tax rate is as follows:

	Year Ended February 1, 2025
Income taxes at federal statutory rate	25.0%
Nondeductible items	(20.6)
Timing differences	(16.5)
Prior year adjustments	(4.9)
Overseas tax rate	0.4
Effective tax rate	<u>(16.6)%</u>

**MERCURY ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

The components of deferred tax assets and liabilities were as follows:

<i>(in thousands)</i>	<b>As of February 1, 2025</b>
Deferred tax assets	
UK corporate interest restriction (“UK CIR”)	6,235
Other	242
Gross deferred tax assets before valuation allowance	6,477
Less: valuation allowance	1,662
Gross deferred tax assets after valuation allowance	4,815
Deferred tax liabilities	
Depreciation and amortization	(13,688)
Gross deferred tax liabilities	(13,688)
Net deferred tax liabilities	<b>\$ (8,873)</b>

The Company applies the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse.

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities (including the impact of available carryback and carryforward periods), projected future taxable income, and tax-planning strategies in making this assessment. The Company determined that the deferred tax assets for UK CIR is less likely to be realized, and therefore required a valuation allowance of \$1.6 million.

The Company files income tax returns in the UK, U.S. for Federal, state, and local purposes, and in certain foreign jurisdictions. The Company’s tax years 2021 through 2024 remain open to examination by most taxing authorities.

**Note 8 – Shareholder Loans and Long-Term Debt**

As of February 1, 2025, the Company’s Shareholder loans and Long-term debt consist of:

<i>(in thousands)</i>	<b>As of February 1, 2025</b>
Shareholder loans <sup>(1)</sup>	<b>\$ 495,996</b>
Long-term debt <sup>(2)</sup>	83,312
Total	<b>\$ 579,308</b>

(1) Interest expense on the shareholder loans was approximately \$56,644 for the year ended February 1, 2025. This interest is non-cash in nature and was paid in kind by increasing the principal balance of the loan in accordance with its terms, which is described further below.

(2) Outstanding balance presented is net of unamortized debt issuance costs of approximately \$2,000, which will be amortized to interest expense over the term of the facilities. Total interest expense related to long-term debt was \$11,832, which includes amortization of debt issuance costs, for the year ended February 1, 2025.

**MERCURY ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

***Shareholder Loans***

The Company is party to certain shareholder loan agreements with the Fifth Cinven Fund, which is managed by Cinven Partners LLP and is the Company's controlling shareholder, as well as with its other institutional and management shareholders. As of February 1, 2025, total outstanding principal under these shareholder loans was \$495,996. The shareholder loans bear interest at a fixed rate of 12% per annum, with all accrued and unpaid interest and principal due on February 18, 2046. Interest on these loans is structured to accrue and compound as payment-in-kind ("PIK") interest, which is capitalized and added to the outstanding principal balance over time.

These loans represent unsecured obligations of the Company. The shareholder loan agreements do not contain any financial covenants but are subject to standard terms and conditions. As these loans are with a related party, further details are provided in Note 10 – Related Party Transactions.

***Wells Fargo Credit Facility Agreement***

On June 2, 2023, Kurt Geiger Limited, a wholly owned subsidiary of the Company, entered into a secured credit agreement (the "WF Credit Agreement") with Wells Fargo Bank, National Association, London Branch (the "Wells Fargo Facility"), providing for both a term loan and a revolving credit facility under a single agreement with a total combined facility limit of £90,000. The Wells Fargo Facility matures on June 2, 2027.

The principal amount of the term loan under the facility was £5,087. The revolving credit facility may be used for general working capital purposes, subject to the overall facility limit. As of February 1, 2025, total outstanding borrowings under the Wells Fargo Facility were \$53,885 which are included in long-term debt on our Consolidated Balance Sheet.

Borrowings under the Wells Fargo Facility bear interest at variable rates based on the applicable reference rate plus a margin of 3.25% per annum for the term loan and 2.00% per annum for revolving credit borrowings. Borrowings can be denominated in sterling, U.S. dollars, or euros, with the applicable reference rates being Daily SONIA for sterling borrowings, Daily SOFR for U.S. dollar borrowings, and either Daily €STR or EURIBOR for euro borrowings. Interest is payable monthly in arrears.

The Wells Fargo Facility also provides for various fees, including a commitment fee of 0.50% per annum on the daily undrawn portion of the facility limit, payable monthly in arrears. In addition, the WF Credit Agreement includes monitoring and agency fees payable as agreed in separate fee letters, and letter of credit fees equal to the applicable margin on the face amount of each letter of credit issued (subject to a €5,000 limit), which are paid monthly in arrears.

The Wells Fargo Facility is secured by certain assets of the borrower, including inventories and receivables. The WF Credit Agreement also contains certain financial covenants, including maintaining a minimum Fixed Charge Coverage Ratio of 1.00x and a maximum Leverage Ratio of 3.25x for the relevant period pertaining to each covenant test date. As of February 1, 2025, the Company was in compliance with all financial covenants associated with the Wells Fargo Facility.

***Blazehill Credit Facility Agreement***

On June 2, 2023, Kurt Geiger Limited, a wholly owned subsidiary of the Company, entered into a secured credit agreement (the "BH Credit Agreement") with Blazehill Capital Finance Limited (the "Blazehill Facility"), providing for a term loan facility of £25,000. The Blazehill Facility matures on June 2, 2026. As of February 1, 2025, total outstanding borrowings under the Blazehill Facility were \$31,427 which are included in long-term debt on our Consolidated Balance Sheet.

**MERCURY ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Borrowings under the Blazehill Facility bear interest at variable rates comprising both a cash payment component and a payment-in-kind component. The interest on the cash payment component is equal to the higher of 1.00% per annum or the applicable average SONIA reference rate for the calculation period, plus a margin of 8.50% per annum, with accrued interest payable monthly in arrears. In addition, PIK interest accrues over each interest period and is capitalized to the principal balance of the term loan, to be repaid in full on the maturity date. Any capitalized PIK interest that has been added to the principal is treated as part of the outstanding principal balance for all purposes under the agreement. Accrued cash interest and PIK interest are both payable in full on the maturity date. The Blazehill Facility also provides for various fees, including a monitoring fee payable monthly until the maturity date.

The Blazehill Facility is secured by all of the assets of the borrower. The BH Credit Agreement also contains certain financial covenants, including maintaining a maximum Leverage Ratio of 3.25x for the relevant period pertaining to each covenant test date. As of February 1, 2025, the Company was in compliance with all financial covenants associated with the Blazehill Facility.

***Subsequent Event***

All outstanding debt obligations of the Company were settled subsequent to year-end. See Note 11 – Subsequent Events for additional information.

**Note 9 – Commitments, Contingencies, and Other**

***Legal Proceedings***

The Company is involved in various legal matters in the ordinary course of business, including contractual disputes, employment-related matters, distribution issues, product liability claims, intellectual property infringement, and other matters. After consulting with legal counsel, management believes that any potential liabilities arising from these matters are not expected to have a material effect on the Company's financial position or results of operations.

***Letters of Credit***

As of February 1, 2025, the Company had a letter of credit outstanding in the amount of \$2,063 under its agreement with Wells Fargo Capital Finance (UK) Limited.

***Operating Leases***

The Company leases retail store and office space under operating leases. See Note 6 – Leases for further information.

**MERCURY ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**Note 10 – Related Party Transactions**

The Company has entered into certain financing arrangements with its controlling shareholder, the Fifth Cinven Fund, as well as with its other institutional and management shareholders. As of February 1, 2025, total outstanding principal under these shareholder loans was \$495,996. The shareholder loans bear interest of 12% per annum and are structured as PIK instruments, under which interest is capitalized and added to the outstanding principal balance over time. Interest expense on the shareholder loans was approximately \$56,644 for the year ended February 1, 2025. This interest is non-cash in nature and was paid in kind by increasing the principal balance of the loan in accordance with its terms (see Note 11 – Subsequent Events for additional information).

**Note 11 – Subsequent Events**

The Company evaluated subsequent events through July 16, 2025, the date the financial statements were issued.

***Acquisition of the Company***

On May 6, 2025, the Company was acquired by Steven Madden, Ltd. pursuant to the terms of the Purchase Agreement (the “Purchase Agreement”) by and among SML UK Holding Ltd., an English limited company and indirect, wholly-owned subsidiary of Steven Madden, Ltd. (the “Purchaser”), various entities comprising the Fifth Cinven Fund (the “Cinven Sellers”), Bain & Company, Inc. (“Bain”), Squam Lake Investors X LP (BGPI) (“Squam Lake”, and together with the Cinven Sellers and Bain, the “Institutional Sellers”), certain individuals (the “Individual Sellers” and together with the Institutional Sellers, the “Sellers”), and Steven Madden, Ltd., as guarantor.

Pursuant to the terms of the Purchase Agreement, the Purchaser purchased the entire issued share capital of the Company at an enterprise value of approximately £289,000 pursuant to a “locked box” arrangement that resulted in the payment of £202,000 in net equity value at closing, repayment of specified third-party debt in the Company, and redemption of the loan notes outstanding from the Company, which were payable to certain Sellers.

**STEVEN MADDEN, LTD. AND SUBSIDIARIES****Unaudited Pro Forma Combined Financial Information**

The following unaudited pro forma combined financial information is presented to illustrate the effect of Steven Madden, Ltd.'s (the "Company") acquisition of Mercury Acquisition Topco Limited ("MATL"). The audited financial statements of MATL are contained in Exhibit 99.1.

On May 6, 2025, the Company, through its wholly owned subsidiary, SML UK Holding Ltd, completed the acquisition of the entire issued share capital of MATL for an aggregate preliminary purchase price of \$390,453, pursuant to the terms of the sale and purchase deed (the "Transaction"). The purchase price included payments made by the Company for the settlement of MATL's previously outstanding third-party bank debt and the reimbursement of certain seller-incurred transaction costs. The equity interests of MATL were previously held by various institutional shareholders, including the Fifth Civen Fund, Bain & Company, Inc., and Squam Lake Investors X LP (BGPI), as well as certain management shareholders.

The following unaudited pro forma combined balance sheet as of December 31, 2024, and the unaudited pro forma combined statement of operations for the twelve months ended December 31, 2024 are based on the audited historical consolidated financial statements of the Company as of and for the year ended December 31, 2024 and the audited combined financial statements of MATL as of and for the year ended February 1, 2025. The unaudited pro forma combined financial information gives effect to the Transaction as if it occurred on December 31, 2024 for the purposes of the unaudited pro forma combined balance sheet, and for the twelve months ended December 31, 2024 for the purposes of the unaudited pro forma combined statement of operations.

The unaudited pro forma combined financial data is for illustrative purposes only and does not purport to represent what the Company's financial position or results of operations actually would have been had the events noted above in fact occurred on the assumed dates or to project our financial position or results of operations for any future date or future period. The unaudited pro forma combined financial data should be read in conjunction with the consolidated financial statements and notes thereto of the Company and MATL.

STEVEN MADDEN, LTD. AND SUBSIDIARIES

Unaudited Pro Forma Combined Statement of Operations  
For the Year Ended December 31, 2024  
(Amounts and shares in thousands, except per share data)

	Historical			Notes	Pro Forma Combined
	Steven Madden, Ltd.	Mercury Acquisitions Topco Limited	Transaction Accounting Adjustments		
Net sales	\$ 2,272,266	\$ 509,804	\$ 1,228	[A]	\$ 2,783,298
Commission and licensing fee income	10,661	1,954	—		12,615
Total revenue	2,282,927	511,758	1,228		2,795,913
Cost of sales	1,345,995	232,922	30,104	[A][B]	1,609,021
Gross profit	936,932	278,836	(28,876)		1,186,892
Operating expenses	698,936	254,853	49,977	[C][D][E][F][G][H]	1,003,766
Change in valuation of contingent consideration liability	2,722	—	—		2,722
Impairment of intangibles	10,335	—	—		10,335
Income from operations	224,939	23,983	(78,853)		170,069
Interest and other income/(expense) - net	5,538	(68,594)	47,738	[I][J]	(15,318)
Income/(loss) before provision for income taxes	230,477	(44,611)	(31,115)		154,751
Provision for income taxes	54,575	7,424	(7,779)	[K]	54,220
Net income/(loss)	175,902	(52,035)	(23,336)		100,531
Less: net income attributable to noncontrolling interest	6,512	—	—		6,512
<b>Net income/(loss) attributable to the Company</b>	<b>\$ 169,390</b>	<b>\$ (52,035)</b>	<b>\$ (23,336)</b>		<b>\$ 94,019</b>
<b>Basic net income per share</b>	<b>\$ 2.38</b>				<b>\$ 1.32</b>
<b>Diluted net income per share</b>	<b>\$ 2.35</b>				<b>\$ 1.31</b>
<b>Basic weighted average common shares outstanding</b>	<b>71,274</b>				<b>71,274</b>
<b>Diluted weighted average common shares outstanding</b>	<b>71,963</b>				<b>71,963</b>

See accompanying notes to unaudited pro forma financial information.

STEVEN MADDEN, LTD. AND SUBSIDIARIES

Unaudited Pro forma Combined Balance Sheet  
As of December 31, 2024  
(Amounts in thousands)

	Historical		Transaction Accounting Adjustments	Notes	Pro Forma Combined
	Steven Madden, Ltd.	Mercury Acquisitions Topco Limited			
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 189,924	\$ 1,609	\$ (53,236)	[L]	\$ 138,297
Short-term investments	13,484	—	—		13,484
Accounts receivable, net of allowances	45,653	28,625	—		74,278
Factor accounts receivable	348,659	—	—		348,659
Inventories	257,625	152,896	28,754	[M]	439,275
Prepaid expenses and other current assets	34,463	17,709	—		52,172
Income tax receivable and prepaid income taxes	4,887	—	—		4,887
Total current assets	894,695	200,839	(24,482)		1,071,052
Property and equipment, net	57,388	32,629	1,121	[M]	91,138
Operating lease right-of-use asset	139,695	61,281	90	[M]	201,066
Deferred tax assets	610	—	—		610
Deposits and other	22,214	—	2,240	[N]	24,454
Goodwill	183,737	99,671	(16,159)	[M]	267,249
Intangibles, net	113,432	61,929	168,866	[M]	344,227
<b>Total Assets</b>	<b>\$ 1,411,771</b>	<b>\$ 456,349</b>	<b>\$ 131,676</b>		<b>\$ 1,999,796</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$ 206,889	\$ 80,411	\$ —		\$ 287,300
Accrued expenses	142,452	47,116	—		189,568
Current maturities of long-term debt	—	—	5,625	[O]	5,625
Operating leases - current portion	43,172	8,906	—		52,078
Income taxes payable	6,147	228	1,542		7,917
Accrued incentive compensation	15,061	—	—		15,061
Total current liabilities	413,721	136,661	7,167		557,549
Contingent consideration liability - long-term portion	7,565	—	—		7,565
Operating leases - long-term portion	109,816	61,370	—		171,186
Deferred tax liabilities	4,628	8,873	40,123	[M]	53,624
Shareholder loans (related party)	—	495,996	(495,996)	[P]	—
Long-term debt, net of debt issuance costs	—	83,312	299,347	[N][O][P]	382,659
Other liabilities	44	—	15,164	[Q]	15,208
<b>Total Liabilities</b>	<b>535,774</b>	<b>786,212</b>	<b>(134,195)</b>		<b>1,187,791</b>
<b>STOCKHOLDERS' EQUITY/(DEFICIT)</b>					
Common stock	7	69	(69)	[R]	7
Additional paid-in capital	614,381	7,056	(7,056)	[R]	614,381
Retained earnings/(Accumulated deficit)	1,787,851	(345,309)	281,317	[R][S]	1,723,859
Accumulated other comprehensive (loss)/income	(48,291)	7,686	(7,686)	[R]	(48,291)
Treasury stock	(1,506,229)	—	—		(1,506,229)
Total stockholders' equity/(deficit)	847,719	(330,498)	266,506		783,727
Noncontrolling interest	28,278	635	(635)	[T]	28,278
<b>Total Stockholders' Equity/(Deficit)</b>	<b>875,997</b>	<b>(329,863)</b>	<b>265,871</b>		<b>812,005</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 1,411,771</b>	<b>\$ 456,349</b>	<b>\$ 131,676</b>		<b>\$ 1,999,796</b>

See accompanying notes to unaudited pro forma financial information.

## STEVEN MADDEN, LTD. AND SUBSIDIARIES

### NOTES TO THE UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

*All figures discussed in these notes to our unaudited pro forma combined financial statements are in thousands.*

#### **Note 1 – Description of the Transaction**

On May 6, 2025 (“Acquisition Date”), Steven Madden, Ltd. (the “Company”), through its wholly owned subsidiary, SML UK Holding Ltd, completed the acquisition of the entire issued share capital of Mercury Acquisitions Topco Limited (“MATL”) for an aggregate preliminary purchase price of \$390,453, pursuant to the terms of the sale and purchase deed (the “Transaction”). The purchase price included payments made by the Company for the settlement of MATL’s previously outstanding third-party bank debt and the reimbursement of certain seller-incurred transaction costs, in accordance with Accounting Standards Codification (“ASC”) Topic 805, Business Combinations (“ASC 805”). The equity interests of MATL were previously held by various institutional shareholders, including the Fifth Cinven Fund, Bain & Company, Inc., and Squam Lake Investors X LP (BGPI), as well as certain management shareholders.

MATL is the ultimate parent company of the Kurt Geiger business (“Kurt Geiger”), which operates primarily in the United Kingdom (the “UK”), U.S., and Europe. Kurt Geiger designs and sells footwear and accessories under its own brands – including Kurt Geiger London, KG Kurt Geiger, and Carvela – through its direct-to-consumer channel, which consists of directly-operated retail stores and e-commerce, as well as through the wholesale channel, and operates third-party concessions in premium and luxury department stores primarily in the UK. Kurt Geiger was founded in 1963 and is headquartered in London, UK.

The acquisition was funded through a combination of debt financing and cash on hand. In connection with the debt financing, effective as of the Acquisition Date, the Company amended and restated its original credit agreement in its entirety, replacing it with a new term loan facility in the amount of \$300,000 and a new revolving credit facility with a total capacity of \$250,000.

#### **Note 2 – Basis of Presentation**

The unaudited pro forma combined financial statements have been prepared based on the historical financial statements of the Company and MATL, as adjusted for the unaudited pro forma effects of the Transaction, in accordance with Article 11 of Regulation S-X. The unaudited pro forma combined statement of operations gives effect to the Transaction as if it were consummated on January 1, 2024. The unaudited pro forma combined balance sheet gives effect to the Transaction as if it were consummated on December 31, 2024. The unaudited pro forma combined financial information should be read in conjunction with:

- the Company’s audited consolidated financial statements and accompanying notes included in its Annual Report on Form 10-K for the year ended December 31, 2024, filed with the U.S. Securities and Exchange Commission on March 3, 2025; and
- MATL’s audited consolidated financial statements and accompanying notes for the year ended February 1, 2025, which have been included as an exhibit to Current Report on Form 8-K/A filed in connection with these unaudited pro forma financial statements.

The unaudited pro forma financial statements combine the financial information of the Company, whose most recent fiscal year ended on December 31, 2024, with that of MATL, whose fiscal year ended on February 1, 2025. The difference between these fiscal year-ends is 32 days. In accordance with Regulation S-X Rule 11-02(c)(3), no adjustments were made to align the year-ends because the difference is less than 93 days. Management has evaluated the impact of the differing fiscal period ends and concluded that the financial statement presentation with the 32-day gap is not materially different from a presentation with aligned periods.

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### NOTES TO THE UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

The unaudited pro forma adjustments and related assumptions are described in the accompanying notes to the unaudited pro forma combined financial information. The unaudited pro forma combined financial information has been prepared based upon currently available information and assumptions that are deemed appropriate by the Company's management. The unaudited pro forma combined financial information is for informational and illustrative purposes only and is not intended to be indicative of what actual results would have been had the transaction occurred on the dates assumed, nor does such data purport to represent the consolidated financial results of the Company for future periods. The actual financial position and results of operations may differ significantly from the unaudited pro forma amounts reflected herein due to a variety of factors, including, but not limited to, differences between the assumptions used to prepare these unaudited pro forma combined financial statements and actual amounts, cost savings or associated costs to achieve such savings from operating efficiencies, synergies, or other costs that may result from the Transaction.

#### **Note 3 – Reclassification Adjustments**

With the exception of royalty income, as discussed below, no reclassification adjustments were required to the historical financial statements of MATL included in the Form 8-K/A, as those financial statements were prepared in accordance with U.S. generally accepted accounting principles and presented in a manner consistent with the Company's financial statement presentation. Transaction accounting adjustments, including fair value adjustments and changes in estimated useful lives of acquired assets, are disclosed separately within these unaudited pro forma combined financial statements.

#### ***Reclassification of Royalty Income***

An adjustment was made to reclassify \$1,954 of royalty income previously presented within net sales in MATL's historical statement of operations to commission and licensing fee income in the unaudited pro forma combined statement of operation. This reclassification was made to conform the presentation of MATL's results to that of the Company's.

#### **Note 4 – Preliminary Purchase Price Allocation**

The acquisition is being accounted for as a business combination in accordance with ASC 805. Accordingly, the total preliminary cash purchase consideration of \$390,453 for MATL was allocated to the identifiable assets acquired and liabilities assumed based on management's preliminary estimates of their fair values as of the Acquisition Date. The Company is in the process of completing its valuation of the fair value of certain assets acquired and liabilities assumed. This includes the fair values of tangible assets, such as inventories, property and equipment, and right-of-use lease assets; and intangible assets, such as trade names and customer relationships. Accordingly, the purchase price allocation, as shown in the table below, is considered preliminary. The Company expects to obtain the information necessary to finalize the fair values of the assets acquired and liabilities assumed during the measurement period, not to exceed one year from the Acquisition Date as permitted under ASC 805, which may result in adjustments to the values presented herein.

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NOTES TO THE UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

The following table summarizes the preliminary allocation of the purchase price to the identifiable assets acquired and liabilities assumed:

Asset acquired / liability assumed	Book value	Adjustments	Fair value
Cash and cash equivalents	\$ 1,609	\$ —	\$ 1,609
Accounts receivable, net of allowances	28,625	—	28,625
Inventories	152,896	28,754	181,650
Prepaid expenses and other current assets	17,709	—	17,709
Property and equipment, net	32,629	1,121	33,750
Operating lease right-of-use asset	61,281	90	61,371
Goodwill	99,671	(16,159)	83,512
Intangibles, net	61,929	168,866	230,795
Accounts payable	(80,411)	—	(80,411)
Accrued expenses	(47,116)	—	(47,116)
Operating leases - current portion	(8,906)	—	(8,906)
Income taxes payable	(228)	(1,541)	(1,769)
Operating leases - long-term portion	(61,370)	—	(61,370)
Deferred taxes	(8,873)	(40,123)	(48,996)
Shareholder loans (related party)	(495,996)	495,996	—
Long-term debt, net of debt issuance costs	(83,312)	83,312	—
<b>Total</b>	<b>\$ (329,863)</b>	<b>\$ 720,316</b>	<b>\$ 390,453</b>

The preliminary fair value of the net assets acquired, as summarized in the table above, were estimated with the help of a third-party specialist as follows:

- The preliminary fair value of inventory was estimated using approaches that considered the estimated selling price in the ordinary course of business, costs of completion and disposal, profit allowances, and the time value of money, based on the nature of the inventory and its expected turnover period.
- The preliminary fair value of property and equipment was estimated using cost-based approaches that considered replacement cost, remaining useful life, and economic obsolescence, as appropriate.
- The preliminary fair value of operating lease right-of-use assets was estimated by comparing the contractual lease terms to prevailing market rental rates for similar properties, resulting in an adjustment to reflect the net favorable terms relative to market.
- The preliminary fair values of identifiable intangible assets were estimated using income-based valuation methods (e.g., multi-period excess earnings). Additional information by intangible asset is as follows:

Description	Useful life	Fair value (preliminary)
Trade names	Indefinite	\$ 162,708
Customer relationships	20 years	\$ 68,087

- The carrying amounts of other assets acquired and liabilities assumed were generally determined to approximate their fair values based on the short-term nature or based on management's assessment that no material adjustments were necessary.
- Deferred tax liabilities have been recognized for the estimated tax effects of the fair value adjustments made to the identifiable assets acquired. The preliminary allocation reflects management's estimates of applicable tax basis and rates in the relevant jurisdictions.
- Goodwill represents the excess of the purchase consideration over the estimated fair values of the identifiable net assets acquired and is primarily attributable to expected synergies, the assembled workforce, the expansion of the Company's international footprint, and opportunities to grow complementary product categories (including handbags). The goodwill arising from this acquisition is not expected to be deductible for income tax purposes.

## NOTES TO THE UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

**Note 5 – Transaction Accounting Adjustments**

The unaudited pro forma combined financial statements include transaction accounting adjustments to reflect the Company's acquisition of MATL as if it had occurred on January 1, 2024 for the unaudited pro forma combined statement of operations and on December 31, 2024 for the unaudited pro forma combined balance sheet. These unaudited pro forma adjustments are based on preliminary estimates and are subject to change as additional information becomes available and valuations are finalized. Any differences could have a material effect on the unaudited pro forma combined financial statements or the Company's financial statements for future periods.

**Unaudited Pro Forma Combined Statement of Operations Adjustments:**

The following tickmarks provide explanations regarding the transaction accounting adjustments that are reflected in the unaudited pro forma combined income statement:

Net sales:

**[A] *Intercompany sales elimination:*** Reflects the elimination of net sales of \$1,228 and cost of sales of \$763 related to intercompany sales transactions between the Company and MATL during the pro forma period. No further adjustments were recorded in the unaudited pro forma combined financial statements for intercompany receivables, payables, or intercompany profit in inventory as these amounts were determined to be immaterial to the unaudited pro forma presentation.

Cost of sales:

**[A] *Intercompany cost of sales elimination:*** See "intercompany sales elimination" explanation above.

**[B] *COGS impact of inventory step-up:*** The preliminary fair value step-up in inventory of \$29,341 has been recognized and expensed through cost of goods sold in the unaudited pro forma combined statement of operations to reflect the assumed sale of the acquired inventory at fair value. This adjustment is non-recurring as the typical inventory turnover is less than 12 months. Differences between the income statement and balance sheet presentation for this adjustment result from the use of spot exchange rates for the balance sheet and average exchange rates for the income statement.

Operating expenses:

**[C] *Operating lease expense adjustment:*** Reflects the amortization of the stepped-up right-of-use lease assets (see Note 4 – Preliminary Purchase Price Allocation) over the remaining lease term, which is approximately five years, resulting in increased lease costs of \$18, which are recorded within operating expenses, during the pro forma period.

**[D] *Depreciation expense adjustment:*** Reflects the removal of \$16,737 of historical depreciation expense and the addition of \$6,540 of depreciation expense based on the preliminary fair value step-up of property and equipment, primarily allocated to furniture and fixtures with an estimated useful life of five years (see Note 4 – Preliminary Purchase Price Allocation). This adjustment results in lower annual depreciation expense in the pro forma period because the new fair value basis is being depreciated evenly over a five-year useful life, whereas the historical depreciation reflected assets that were near the end of their useful lives with higher annual charges.

**[E] *Intangible asset amortization expense adjustment:*** Reflects the removal of \$7,308 of historical amortization expense related to trade names and customer relationships, and the addition of \$3,463 of amortization expense based on the preliminary fair value allocation and estimated useful lives of acquired trade names and customer relationships (see Note 4 – Preliminary Purchase Price Allocation). The net reduction in annual amortization expense reflects updated useful life assumptions, including assigning an indefinite life to trade names given their anticipated perpetual use, and assigning a 20-year life to customer relationships to reflect their expected period of economic benefit. For each 10% increase or decrease in the preliminary fair value of the customer relationships intangible asset, assuming a 20-year useful life, annual amortization expense would increase or decrease, respectively, by approximately \$346.

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[F] **Transaction costs:** Reflects the recognition of the non-recurring acquisition-related expenses of \$10,010, which were related to financial advisory, legal, accounting and other professional fees and included within operating expenses.

[G] **Closing top-up compensation:** In connection with the Transaction, the Company paid approximately \$38,819 to management sellers and other key employees of the Company. These amounts were determined by the selling shareholders as part of the negotiated transaction waterfall and were paid at transaction closing. The Company determined that these payments represent compensation in accordance with ASC Topic 710, *Compensation – General* (“ASC 710”), rather than purchase consideration. Accordingly, the Company reflected the recognition of this non-recurring compensation expense within operating expenses in the unaudited pro forma combined statement of operations.

[H] **Deferred management compensation:** In connection with the Transaction, the Company recognized \$16,105 of compensation expense, in accordance with ASC 710, related to a deferred management compensation arrangement for which future payout was determined to be probable. Accordingly, the Company reflected the recognition of this non-recurring compensation expense within operating expenses in the unaudited pro forma combined statement of operations.

Interest and other expense, net:

[I] **Pre-existing debt settlement:** Reflects the removal of \$68,594 of historical interest expense related to MATL’s pre-existing debt that was settled by the Company as of the Acquisition Date. The total historical interest expense was comprised of: (i) \$56,644 of payment-in-kind (“PIK”) interest related to shareholder loans with MATL’s former owners that had an outstanding balance of \$495,996, and (ii) \$11,832 of interest and amortization of debt issuance costs related to MATL’s term loan and revolving credit facilities with third-party lenders with a total outstanding balance, net of unamortized debt issuance costs, of \$83,312.

[J] **New debt financing adjustments:** In connection with the Transaction, the Company’s original credit agreement, which consisted of a revolving asset-based credit facility with a total capacity of \$150,000, was amended and restated to provide a term loan facility in the amount of \$300,000 and a revolving credit facility with a total capacity of \$250,000. The impacts to the Company’s unaudited pro forma combined statement of operations related to the amended and restated credit agreement are as follows:

*Term loan interest expense:* The pro forma adjustments include interest expense associated with the \$300,000 term loan, which remains outstanding. Borrowings in U.S. Dollars under the amended and restated credit agreement generally bear interest at a variable rate equal to, at the Company’s election, (i) Term SOFR for the applicable interest period plus a specified margin, or (ii) the base rate (which is the highest of (a) the prime rate announced by Citizens Bank, N.A. or its parent company, (b) the sum of the federal funds rate plus 0.50%, and (c) the sum of the Daily SOFR Rate plus 1%) plus a specified margin.

Assuming an average outstanding balance for the pro forma period of \$296,250, based on four quarterly principal repayments of \$1,875, and an interest rate of 6.32%, which was the approximate interest rate near the Acquisition Date, the estimated annual interest expense would be \$18,723, which is reflected in the unaudited pro forma combined statement of operations.

As the interest rate on the term loan is variable (as described above), for each increase or decrease of 0.125% to the interest rate used in the Company’s unaudited pro forma model, annual interest expense associated with the term loan would increase or decrease, respectively, by approximately \$370.

*Revolving credit facility interest expense:* As of the Acquisition Date, the Company drew \$95,000 on its revolving credit facility, which was outstanding for less than 90 days and resulted in approximately \$373 in interest expense. Accordingly, the Company included this amount in the unaudited pro forma combined statement of operations. This draw was repaid in full and, based on management’s current plans, no further borrowing under the revolving credit facility is assumed during the pro forma period.

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**NOTES TO THE UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS**

*Amortization of debt issuance costs:* As part of the debt financing in connection with the Transaction, the Company incurred \$8,954 of debt issuance costs, which were capitalized in accordance with ASC Topic 470, *Debt*. These costs are amortized on a straight-line basis over the term of the facilities (five years). Accordingly, the Company included \$1,617 in the unaudited pro forma combined statement of operations to reflect the amortization of debt issuance costs.

*Unused commitment fee adjustment:* The pro forma adjustments include an increase in interest and other expense, net of \$142 related to unused commitment fees under the amended and restated credit agreement, which, similar to the original credit agreement, carries a 0.25% per annum fee on undrawn amounts related to the revolving credit facility. This amount was computed based on the unused commitment fee under the new revolving credit facility (\$517), adjusted for the unused commitment fee that would not have been incurred under the original revolving credit facility (\$375) based on the assumption that it would have been replaced at the beginning of the pro forma period.

Provision for income taxes:

[K] Represents the income tax benefit recognized related to the total transaction accounting adjustments included in the unaudited pro forma statement of operations. These adjustments were tax-affected using an estimated blended statutory income tax rate of 25%, which will likely vary from the actual effective tax rate in periods subsequent to the completion of the pro forma events.

***Unaudited Pro Forma Combined Balance Sheet Adjustments:***

The following tickmarks provide explanations regarding the transaction accounting adjustments that are reflected in the unaudited pro forma combined balance sheet:

[L] Reflects the net decrease in cash of \$53,236, which is derived from the following sources and uses of cash associated with the Transaction:

<b>Description</b>	<b>Source</b>	<b>(Use)</b>	<b>Reference</b>
Term loan borrowings	\$ 300,000	\$ —	See [J] [O]
Revolver borrowings	95,000	—	See [J] [O]
Purchase consideration	—	(390,453)	See Note 4
Transaction costs	—	(10,010)	See [F]
Debt issuance costs	—	(8,954)	See [J]
Closing top-up payment (compensation paid at closing)	—	(38,819)	See [G]

[M] Reflects the preliminary purchase price allocation to the estimated fair value of identifiable assets acquired and liabilities assumed related to the Transaction. See Note 4 – Preliminary Purchase Price Allocation.

[N] Reflects the capitalization of debt issuance costs in connection with the debt financing for the Transaction, which totaled \$8,954 and were allocated to the term loan (75%) and the revolving credit facility (25%) based on their relative Day-1 funding amounts. As such, in accordance with ASC 470, \$6,716 was allocated to the term loan facility and presented as a reduction of long-term debt; and \$2,239 was allocated to the revolving credit facility and presented within other noncurrent assets (deposits and other) on the unaudited pro forma combined balance sheet. See tickmark [J] for further information.

[O] Reflects outstanding borrowings under the amended and restated credit agreement, including \$300,000 related to the term loan facility and \$95,000 related to a draw on the revolving credit facility that was made on the Acquisition Date, net of debt issuance costs of \$6,716 and current maturities of \$5,625, which were determined based on the scheduled principal repayments due within the first 12 months. Current maturities of long-term debt are presented separately within current assets. See tickmarks [J] and [N] for further information.

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[P] Reflects the elimination of MATL's historical outstanding balances related to its shareholder loans and long-term debt, which included term loan and revolving credit facilities, that were settled by the Company upon closing of the Transaction. A portion of the historical shareholder loan balance, which had accumulated significant PIK interest over time, was contractually forgiven under the terms of the sale and purchase agreement. The total cash consideration transferred by the Company to settle these amounts were included in the purchase price for MATL.

[Q] Reflects the liability associated with the deferred management compensation arrangement, as discussed further within tickmark [H].

[R] Reflects the elimination of historical equity balances of MATL, which included \$69 of common stock, \$7,056 of additional paid-in capital, \$345,309 of accumulated deficit, and \$7,686 of accumulated other comprehensive income prior to elimination.

[S] Reflects the impact to retained earnings for the following:

- \$10,010 related to the recognition of transaction costs, as discussed further within tickmark [F].
- \$38,819 related to the recognition of compensation expense in connection with the closing top-up payment, as discussed further within tickmark [G].
- \$15,164 related to the recognition of compensation expense in connection with the deferred management compensation arrangement, as discussed further within tickmark [H].

[T] Reflects the elimination of \$635 of historical non-controlling interest in MATL's equity, reflecting the Company's acquisition of 100% ownership.