MiddleGround Capital

2026

Sustainability Report





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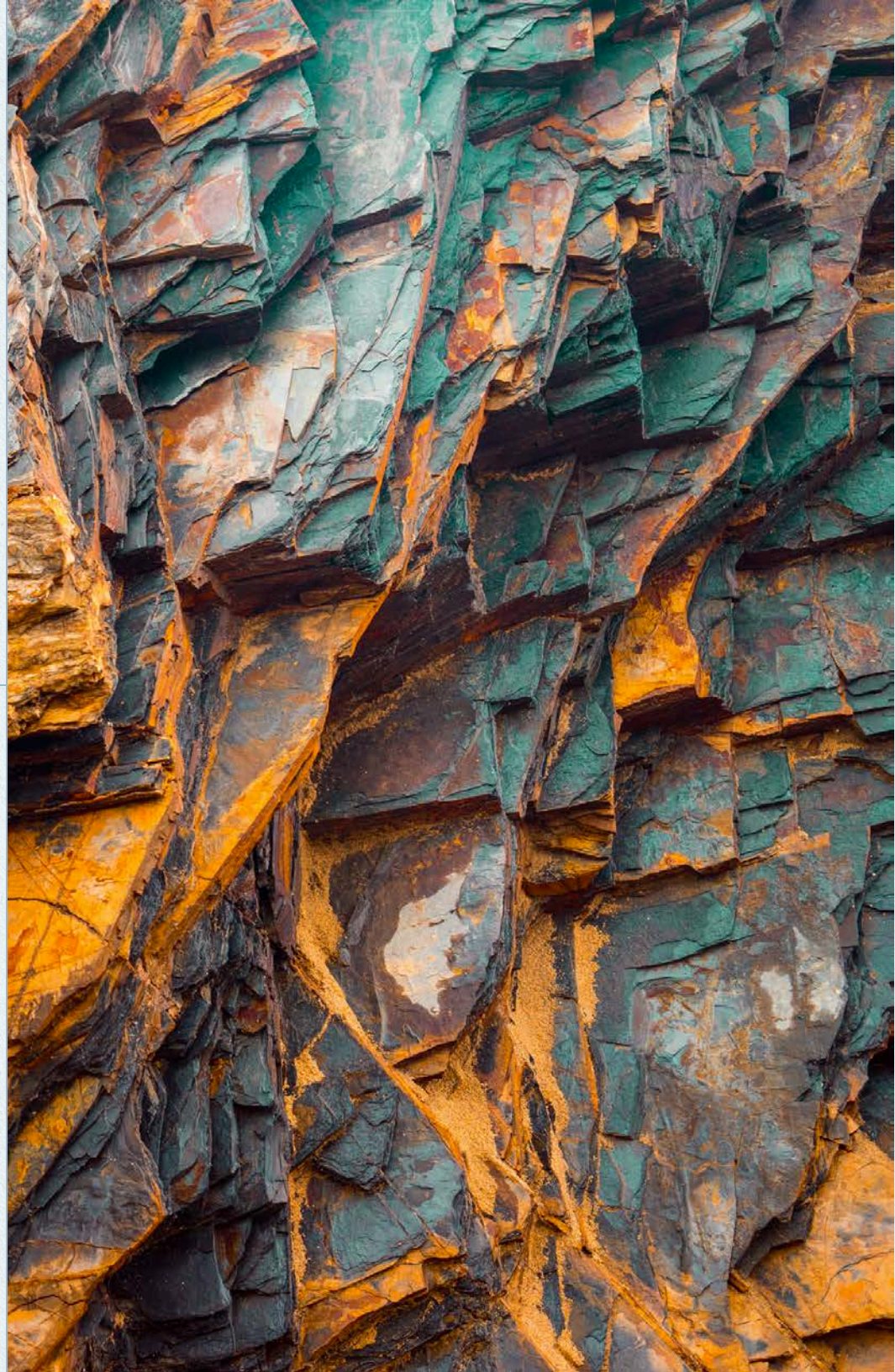
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01

Overview

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- 2025 Capital Activity
- Awards and Recognition
- Philanthropy
- Employee Engagement
- Training and Development
- Letter from the Managing Partner



About MiddleGround Capital

We are a private equity firm founded in 2018 that invests in B2B industrial manufacturing and specialty distribution businesses in the lower middle market in North America and Europe.

Our team has held roles ranging from operational management to executive positions at lower middle market through Fortune 500 companies. Our hands-on approach, in-house operational expertise, and friendly culture define our investment strategy and approach to business.

We make control equity investments, prioritizing businesses that we believe may benefit from the operational expertise we bring to the table. We prioritize building hands-on partnerships with management teams to execute a customized value creation program designed to create equity value for our investors as well as management.

DISCLOSURES

1. Assets Under Management figure of $3.44B is calculated as of 12/31/2025 and represents the fair value of our portfolio in addition to uncalled capital. This figure may differ from regulatory AUM as reported on MiddleGround Capital's most recent Form ADV. AUM is not a representation of investment performance or fund returns.

$3.44B
AUM
12/31/2025[1]

223
Facilities Worldwide as of 12/31/2025

18
Platforms as of 12/31/2025

31
Operating Countries as of 12/31/2025





2025 Capital Activity

$3B
Capital Deployed to Date as of 3/31/2026

$1.61B
Gross Capital Returned to Date as of 3/31/2026

$1.6B
Net Capital Returned to Date as of 3/31/2026

$1.5B
Completed Co-Invest to Date as of 3/31/2026

5
Completed Exits to Date as of 3/31/2026

DISCLOSURES

Capital and activity metrics presented on this page reflect MiddleGround Capital's investment activity across Fund I, Fund II, Fund III and affiliated coinvest entities from inception through the dates indicated and are based on MiddleGround Capital's internal records. These figures have not been independently verified by a third party and may differ from amounts presented in MiddleGround Capital's audited financial statements.

Methodology notes: 'Capital Deployed' represents total invested equity across Fund I, Fund II, Fund III and affiliated coinvest entities from inception through March 31, 2026, including platform and add-on investments but excluding bridge financing and debt investments. 'Gross Capital Returned' represents total realized distributions across Fund I, Fund II, Fund III and affiliated coinvest entities through March 31, 2026, before deduction of any partnership fees and expenses and excluding bridge financing and debt investments. Calculated on a broader basis than 'Capital Deployed'; these figures should not be compared directly or used to derive return ratios. 'Net Capital Returned' as presented represents total realized distributions across Fund I, Fund II, Fund III, and affiliated coinvest entities through March 31, 2026, after deduction of approximately $5.3M in expenses associated with the Lindsay Precast property company divestiture. The difference between gross and net capital returned reflects these transaction-specific expenses only and does not reflect the deduction of management fees, carried interest, or other fund-level expenses. This figure is not equivalent to net distributions to fund investors and should not be interpreted as a net return figure. Co-investment vehicles include Mobility I which is an overflow vehicle that invests alongside the following flagship funds: Fund I, Fund II, and Fund III. 'Completed Co-Invest' represents total equity invested alongside Fund I, Fund II, and Fund III from inception through March 31, 2026, including Limited Partner co-investments, and management team roll over equity. Management team rollover equity reflects equity retained or reinvested by portfolio company management teams at acquisition and is not Limited Partner co-investment capital; these components are not presented separately. 'Completed Exits' reflects fully closed portfolio company sales through March 31, 2026 and excludes transactions signed but not yet closed as of that date. This figure is measured as of March 31, 2026, which differs from the March 31, 2026 measurement date used for the financial metrics above, this difference reflects the timing of exit closings relative to the financial reporting period.

These figures are not a representation of net investment returns, fund performance, or distributions to any specific investor. Capital deployment and return activity reflects MiddleGround Capital's cumulative investment history across Fund I, Fund II, Fund III and affiliated coinvest entities since inception in 2018 and is not indicative of future investment activity or returns. Past capital deployment and return outcomes are not indicative of future results.



Awards and Recognition[1]

BEST PLACES TO WORK IN KENTUCKY WINNER (2020-26)

Kentucky Chamber of Commerce

We have been recognized as a Best Place to Work in Kentucky for the sixth consecutive year, based on survey feedback from our employees. A fee was paid for award consideration, but does not impact award outcome.

GREAT PLACE TO WORK- CERTIFIED COMPANIES (2023-26)

Great Place to Work

We have been recognized as a Great Place to Work for the fourth consecutive year, based on survey feedback from our employees. A fee was paid for award consideration, but does not impact award outcome.

BEST PLACES TO WORK IN PRIVATE EQUITY (2025)

Mergers & Acquisitions

We have been recognized for our work culture based on a detailed questionnaire submitted regarding workplace culture, our approach to evolving workplace demands, and employee engagement. No fee was paid for consideration.

TOP PRIVATE EQUITY INNOVATOR (2023-26)

Bluwave

We have placed on this list for three consecutive years. We were selected by Bluwave based on their assessments of leading LPs, Investment Bankers, and thought leaders, no fee was paid for consideration.

DISCLOSURES

1. The recognitions listed above represent third-party awards and designations conferred upon MiddleGround Capital or its employees based on the criteria described below. These recognitions reflect the views of the conferring organizations at the time of award and are not endorsements of MiddleGround Capital's investment strategy or capabilities. None of the recognitions listed below are indicative of investment performance, fund returns, or future results. Past recognition is not a guarantee of future awards or investment outcomes.

Philanthropy

At MiddleGround, we believe that how a firm engages with the community is a reflection of its values. From the outset, we have sought to contribute positively not only within our portfolio companies, but also in the communities where we operate.

To this end, our Founding Partners established MiddleGround's headquarters in Lexington, Kentucky, with the goal of creating high- finance career opportunities locally, so that talented professionals would not need to relocate to pursue careers in private equity.

That community-focused approach led to the establishment of the MiddleGround Capital Charitable Foundation in 2023. This year, we increased the amount of donations given across the firm compared to 2024 through employee matching programs, direct donations, and volunteer hour donation matching, an approach designed to reflect both firm-level priorities and the individual charitable interests of our employees.

Community involvement is an organizational priority at MiddleGround, and one the firm intends to continue building upon going forward.

$1.4M

Approximate Donations Across the Firm in 2025[1]

87

Organizations Supported by the MiddleGround Capital Charitable Foundation and Employees in 2025[2]

395

Approximate Hours Volunteered in 2025[3]



DISCLOSURES

[1]The approximately $1.4M figure includes direct charitable contributions made by MiddleGround Capital, and direct charitable contribution made by employees and employee matching contributions, and value of goods donated matching equivalents for the period January 1 through December 31, 2025. This figure is based on MiddleGround's internal records and has not been independently verified.

[2]"Supported" includes organizations that received financial contributions from the MiddleGround Capital Charitable Foundation or MiddleGround employees, as well as organizations where employees volunteered during the 2025 calendar year. Count is based on MiddleGround's internal records and has not been independently verified.

[3]Volunteer hour figures reflect hours submitted by employees through MiddleGround's volunteer hour tracking program for the period January 1 through December 31, 2025, and may not capture all volunteer activity by employees during this period.

Employee Engagement

MiddleGround Capital continues to challenge conventional expectations of what a private equity firm looks like from the inside. We earned Great Places to Work certification for the third consecutive year, were recognized as a Best Place to Work in Private Equity by Mergers and Acquisitions, and were named one of the Best Places to Work in Kentucky. These recognitions reflect a deliberate and ongoing investment in the MiddleGround Capital employee experience.

EMPLOYEE ENGAGEMENT COMMITTEE

Our employee-led Engagement Committee exists to strengthen culture, sustain morale, and create the kinds of moments that make MiddleGround feel like more than a workplace. In 2025, the committee brought that mission to life through a range of firmwide events, including a potluck-style lunch in our Amsterdam office that invited team members to share food meaningful to their own cultures, celebrations of personal milestones like engagements and growing families, and office-wide sporting events that brought out some healthy competition.

PHILANTHROPY

Giving back is a core part of how MiddleGround shows up as a firm and as a community. In 2025, our team participated in a wide range of philanthropic activities, from formal fundraising galas and golf scrambles to hands-on volunteer work at Ronald McDonald House, stuffing backpacks for back-to-school drives, supporting 5K race fundraisers, and planting trees. These events reflect our belief that a great place to work is also a firm that looks outward.

WOMEN'S WING

Empowering women is embedded in MiddleGround's culture. Our employee-led Women's Wing facilitated mentorship through monthly one-on-one conversations and deepened its connection to the next generation of professionals through a partnership with the University of Kentucky's Women in Finance student organization, hosting both on-site and on-campus events. Our goal is not just to give everyone a seat at the table, but to ensure diverse voices shape the conversation.

DISCLOSURES

References to workplace recognitions, employee engagement initiatives, and culture-related programs reflect MiddleGround's organizational culture and employee experience and are not a representation of investment performance, fund returns, or outcomes at any portfolio company.

See Awards & Recognition disclosures above for the criteria, dates, and compensation, if any, associated with the third-party recognitions referenced in this section.

36%

Representation of Women in Firm 12/31/2025

21

Leaders Attended Bespoke Leadership Experience Training as of 12/31/25

42%

Of the Firm Participated in 7 Habits Training as of 12/31/2025

1,300

Training Hours Completed by Employees as of 12/31/2025



Training and Development

At MiddleGround Capital, we believe that sustainable value creation starts with the people doing the work. This year, we deepened our investment in firm-wide development across two dimensions: leadership capability and ESG fluency.

On the leadership side, we expanded our training offerings to include the 7 Habits of Highly Effective People and a bespoke leadership core competency program developed in partnership with Thrivence. Both programs are designed to build consistent communication practices, structured leadership behaviors, and intentional feedback systems across all levels of the firm.

Alongside that, we continued our commitment to annual firm-wide ESG training, ensuring that every member of the MiddleGround team maintains a working understanding of our ESG integration approach, the frameworks we operate under, and the internal systems and processes that support portfolio-level execution. We believe that ESG cannot be the domain of a single team — it has to be understood and owned across the firm for it to translate meaningfully at the portfolio company level.

Together, these programs reflect a straightforward conviction: the stronger our people are, the better positioned our portfolio companies are to grow.

MiddleGround's investment in training and development reflects the firm's commitment to building organizational capability. These programs are not a representation of investment performance or fund returns.

DISCLOSURES

1. References to training and development initiatives reflect MiddleGround's organizational objectives and are not a representation of investment performance, fund returns, or outcomes at any portfolio company. Employee development programs are one of many factors that contribute to firm operations and do not guarantee future investment results.

2. References to strengthening leadership capability and long-term growth reflect the intended objectives of MiddleGround's training and development programs. These programs are designed to support organizational development and are not a representation of investment performance, fund returns, or outcomes at any portfolio company. Participation in and completion of these programs does not guarantee any level of individual or organizational performance. Forward-looking statements about long-term growth are subject to a range of factors beyond training and development initiatives and are not a guarantee of future results.





Letter from the Managing Partner

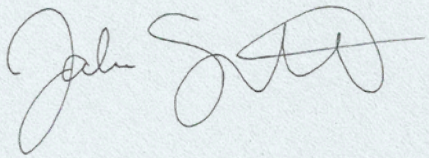
Responsibly running a business means recognizing the fact that every choice you make lands somewhere, on the people who work for you, on the towns where your facilities sit, on the world your grandkids inherit.

I spent my early career on the shop floor, and I know what it looks like when safety is an afterthought. I've seen what happens to people when it is. That's why expanding our safety programs across the portfolio this year wasn't a formality to me. Arrow Tru-Line and Lindsay Precast, our two portfolio exits in 2025, cut their incident rates by more than half since we acquired them, alongside higher wages and lower turnover. That combination doesn't happen by chance, it reflects years of sustained investment.

We pushed further on measurement this year too. Fund III kept its SFDR Article 8 status, and 99.33%[1] of that portfolio hit our defined Environmental and Social targets in 2025. We grew our decarbonization work with Gravity Climate into three more portfolio companies, with over 35 projects now identified at the facility level, where we expect the real gains are made.

None of this works without buy-in, not just from our own team, but from every management team we partner with. Every portfolio company CEO chairs their own ESG committee, working directly with our team and reporting up through the board. It's not a compliance exercise, it's ownership.

JOHN STEWART
Founder & Managing Partner



DISCLOSURES

1. Reflects MiddleGround Partners III (EU), S.C.Sp., which held two portfolio companies as of the 2025 reporting period; see SFDR Alignment section for additional detail. This figure is not representative of a larger or more diversified portfolio.

References in this letter to specific portfolio company results, fund metrics, and program milestones are based on MiddleGround Capital's internal records and, unless otherwise noted, have not been independently verified. These references are not a representation of investment performance, fund returns, or outcomes at any portfolio company, and are not a guarantee of future results. See the corresponding sections of this report for additional detail and disclosures.

Specific investments described herein do not represent all investment decisions made by MG. The reader should not assume that investment decisions identified and discussed were or will be profitable. Specific investment advice references provided herein are for illustrative purposes only and are not necessarily representative of investments that will be made in the future.

02

ESG Integration

- Sustainable Development Goals
- Integrating Sustainability into Our Portfolio
- Our Sustainability Journey





Sustainable Development Goals

SDG alignment sits at the core of how MiddleGround Capital approaches long-term value creation across our portfolio.

For funds operating under SFDR, SDGs are directly embedded in our formal Environmental and Social Characteristics. For funds outside that framework, we apply an internal SDG business mapping methodology to guide how sustainability priorities are identified and tracked at the portfolio company level. In both cases, the goal is the same: measurable, time-bound commitments tied to relevant SDG indicators, including decent work and economic growth (SDG 8), gender equality (SDG 5), and climate action (SDG 13).

Programs like the STOP6 Safety, our portfolio-wide carbon footprint tracking, and our ongoing commitment to improving wages across the portfolio are where these global goals become plant-floor reality. The result is a portfolio that is more resilient, more responsible, and better positioned for the long term, consistent with our founding principle: leave everything better than we found it.

DISCLOSURE

These programs reflect MiddleGround's sustainability objectives and are not a representation of investment performance, fund returns, or outcomes at any portfolio company. SDG alignment and related initiatives are one of many factors that may inform our approach and do not guarantee any particular investment result.

Integrating Sustainability Into Our Portfolio

Diligence

→ PRE-LOI

- MiddleGround Capital Team assesses baseline sustainability KPI data
- Identify material sustainability factors for deep dive
- Screen for SFDR E/S Characteristics
- Present findings to IC

→ POST-LOI

- Third party deep dive review of sustainability materials
- Interviews w/ management team
- Identify risks and opportunities
- Outline sustainability 5-year hold plan w/ transaction team
- Present findings to IC

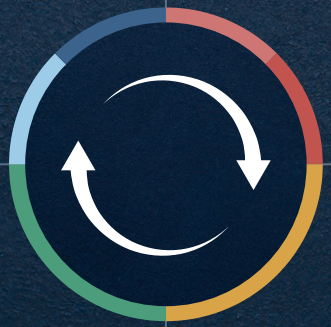
On Boarding

→ CLOSE + 30 DAYS

- Management team introduction to sustainability
- Establish key contacts for reporting
- Review diligence findings with the management team

→ CLOSE + 90 DAYS

- Establish ESG Committee
- Onboard to data reporting platform
- Educate on governance expectations
- Review and finalize sustainability 5-year plan



Exit

→ EXIT PREPAREDNESS

- Accurately represent relevant sustainability practices
- Verify and report relevant sustianability data
- Incorporate relevant sustainability information into CIM/MP

Hold Period

→ POST ON BOARDING

- Sustainability incorporation into annual goal setting process
- Regular reporting of KPIs to operations
- ESG Committee reporting
- BOD reporting
- Annual sustainability KPI target setting
- Incorporate company activities into the MiddleGround Capital sustainability report

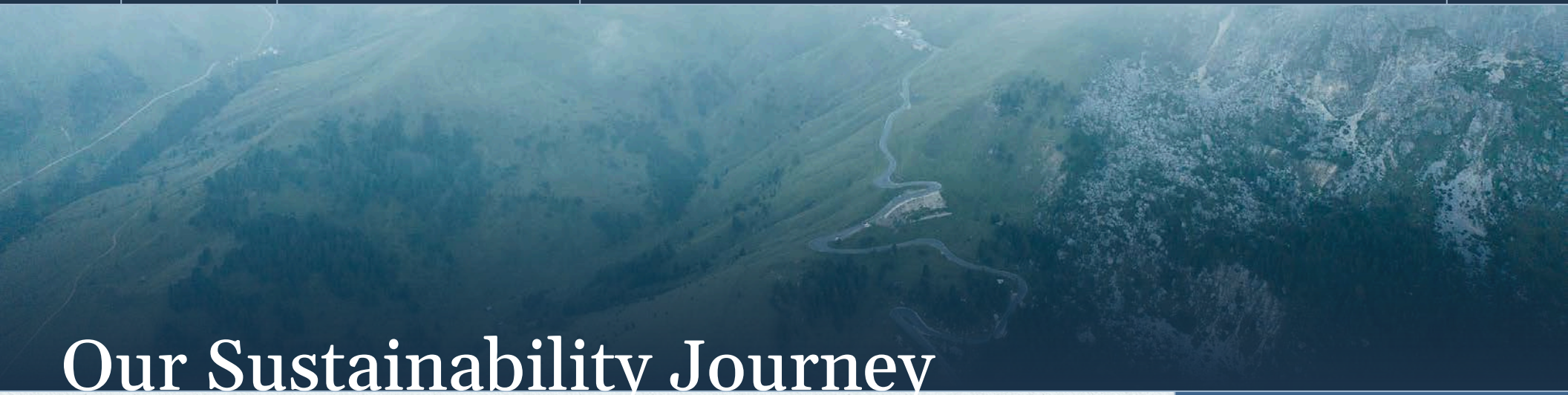


"As an ESG leader, I know firsthand what true adoption of sustainability ideals looks like versus "checking the box". Because sustainability is baked into the deal cycle, we've been able to encourage portfolio leaders not just to meet sustainability targets, but aim to exceed them.

Madelyn Tutewiler
Director, ESG & Marketing

DISCLOSURE

The sustainability integration process shown reflects MiddleGround's general approach to evaluating and managing sustainability-related factors across the investment lifecycle. Actual practices may vary by transaction, portfolio company, and timing of acquisition. This process is not a representation of investment performance, fund returns, or outcomes at any portfolio company, and does not guarantee particular sustainability or financial results.



Our Sustainability Journey

2019

Sustainability and taking care of people are core values at MiddleGround. ESG policies were established to document these values.

2020

Sustainability was formally added to MiddleGround Capital's Hoshin planning process with an action plan established at both the firm and portfolio level. An ESG Committee was established with a cross-functional team. Sustainability KPIs were established, and portfolio companies began tracking these. MiddleGround became the first sub-billion-dollar Industrial Buyout Principles for Responsible Investing signatory.

2021

MiddleGround submitted its first voluntary report to the UNPRI. The portfolio metrics were set up in dashboards to promote real time use and transparency of sustainability data.

2022

ESG team established with ESG Director, Vice President, and Analyst. The team developed a 5-year sustainability strategy.

MiddleGround strengthened sustainability diligence practices by standardizing sustainability processes and engaging with Malk Partners.

2023

A portfolio wide safety program was developed and deployed to portfolio companies. The team published the first annual sustainability report.
MiddleGround formalized carbon footprint calculations by partnering with Gravity Climate.

2024

MiddleGround aligned new Funds with the EU's SFDR Article 8 classification. A standardized sustainability target-setting process was implemented across portfolio companies, and sustainability KPIs were incorporated into executive compensation. Sustainability training was delivered to all transaction team members. Energy procurement was evaluated across several U.S. facilities, generating cost savings and helping avoid anticipated price increases.

2025

MiddleGround expanded its portfolio-wide safety program with enhanced hazard recognition tools and auditing. Decarbonization planning was launched at select portfolio companies, and internal sustainability training was further refined. The firm is building on its existing sustainability foundation to strengthen the connection between sustainability performance and value creation.

DISCLOSURE

The presented timeline reflects milestones in MiddleGround's sustainability program as reported internally and has not been independently verified. References to value creation, cost savings, or other business outcomes associated with sustainability initiatives are not a representation of investment performance, fund returns, or outcomes at any portfolio company, and do not guarantee future results.

Focus Areas

- Shop Floor Safety
- Energy Procurement
- SFDR Alignment
- Decarbonization with Gravity Climate





Shop Floor Safety

In 2025, MiddleGround launched STOP-6, a critical safety training program designed to reduce serious workplace injuries across the portfolio by strengthening hazard recognition and reinforcing proactive safety behaviors. The program targets six high-risk incident categories identified through MiddleGround Capital's Critical Incident Process: caught in machine, contact with a dropped object, contact with an industrial vehicle, falls greater than four feet, electrical shock, and contact with high temperatures or chemicals. These categories represent the incidents most likely to result in life-altering consequences for workers in manufacturing environments, and serve as the foundation for MiddleGround's safety priorities at the portfolio level.

STOP-6 was deployed through a structured Train the Trainer model, with MiddleGround initiating training at the executive leadership level and cascading responsibility for reinforcement to facility management, EHS teams, shift supervisors, and frontline employees.

The program introduces a four-step hazard recognition framework (Stop, Think, Observe, Proceed) and develops what MiddleGround calls a "Critical Eye," the ability to identify unsafe conditions that might otherwise be normalized over time.

STOP-6 is reinforced through monthly incident reporting in Novata, self-audits at the facility and department level, and third-party facility assessments conducted on an as-needed basis.

When a critical incident occurs at any portfolio company, MiddleGround Capital distributes a formal incident report across the entire portfolio, requiring each location to assess its own exposure to similar risks and document follow-up actions with CEO sign-off. This portfolio-wide communication loop is central to how MiddleGround translates individual incidents into systemic safety improvements.

DISCLOSURE

References to STOP-6 and related safety initiatives reflect MiddleGround's operational and safety-related programs and are not a representation of investment performance, fund returns, or outcomes at any portfolio company. Program design and deployment may vary by portfolio company and are not a guarantee of reduced incidents or other safety outcomes.



> Anyone who's spent time in a real manufacturing environment understands that safety isn't an afterthought; it's the number one priority on the shop floor. I feel personally responsible for holding a high safety standard every day, so our team members can go home safely.

Scot Duncan
Chief Operating Officer,
MiddleGround Capital

Energy Procurement

This year, MiddleGround Capital expanded its emphasis on energy procurement as a meaningful operational lever for the industrial manufacturers in our portfolio. Given that energy ranks among the most significant and unpredictable operating costs for these businesses, the firm developed an energy procurement framework built around three core areas, each aimed at helping portfolio companies gain greater control over their energy spend:

DEREGULATED ENERGY

In states where energy markets have been deregulated, businesses are no longer bound to a single utility provider and can instead select from competing electricity and natural gas suppliers. This market structure creates opportunities for more favorable pricing through mechanisms like energy bidding and reverse auctions, giving portfolio companies greater leverage in how they source power.

POWER FACTOR IMPROVEMENT

Power factor measures how effectively a facility converts energy drawn from the grid into productive output. When power factor is low, utility providers may impose financial penalties for the inefficiency. By improving power factor, portfolio companies can eliminate those penalties and reduce the total current draw required to achieve the same level of operations, lowering overall energy consumption without sacrificing output.

DEMAND RESPONSE

Through a partnership with a third-party program manager, MiddleGround has enrolled portfolio company facilities in demand response programs that allow them to receive financial compensation from utility providers in exchange for voluntarily curtailing energy use during periods of peak grid stress. Participating facilities benefit from compensation opportunities and certain protections from utility penalties during curtailment periods, subject to applicable program terms, provider agreements, and state regulations.

11

actively enrolled Demand Response programs in 2025

$170K

Shiloh saved an estimated $170k in energy costs in 2025 at one site by hedging against market rates

$119K

Over $119,000 utility penalty savings realized over 7 months from power factor corrections at TPM Queretaro

DISCLOSURES

Energy procurement initiatives described in this section are presented to illustrate MiddleGround's approach to portfolio operational support. References to cost control, competitive pricing, penalty avoidance, and financial compensation opportunities reflect program objectives and potential benefits, not verified financial outcomes. Actual results vary based on portfolio company location, facility characteristics, utility provider terms, and applicable state regulations. These initiatives are not a representation of investment performance, fund returns, or outcomes at any portfolio company. Past energy procurement outcomes are not indicative of future results.

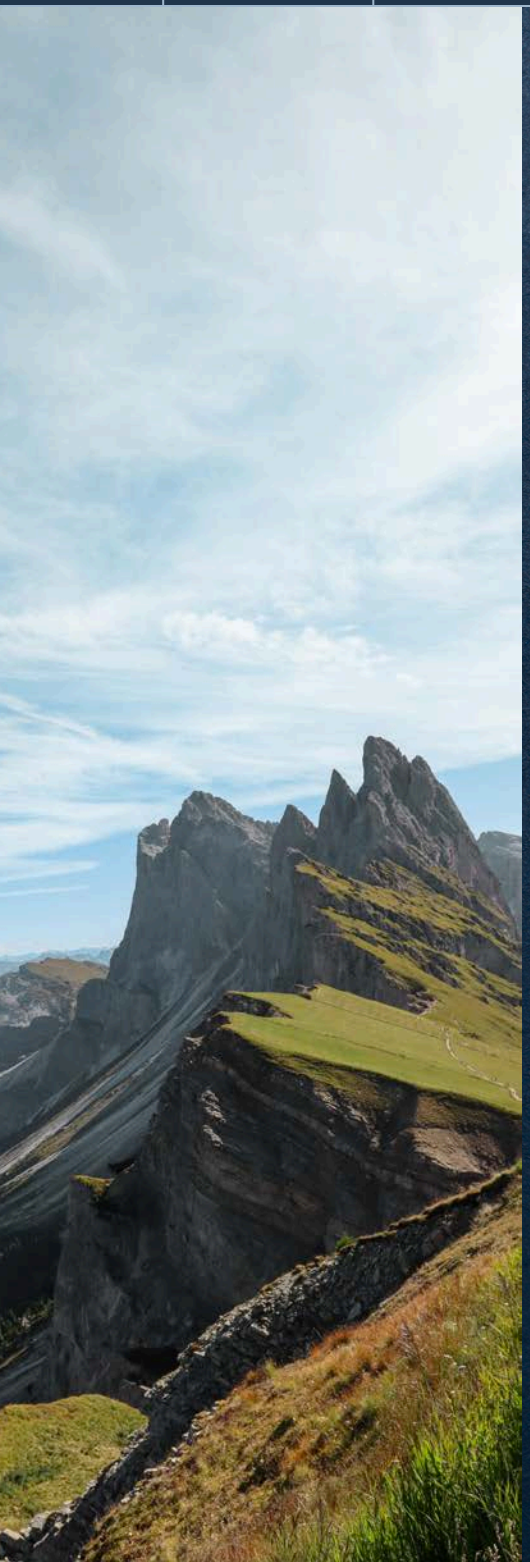
The figure referenced below represents over $119,000 in utility penalty savings at the TPM Queretaro facility, a facility of a current MiddleGround Capital portfolio company located in Queretaro, Mexico, for the period January through July 2025. 'Savings' refers exclusively to the avoidance of utility penalties previously applied due to the facility's power factor falling below the required threshold, it does not represent reductions in energy consumption or supply costs. This figure was reported by TPM Queretaro to MiddleGround Capital based on utility bill comparisons and has not been independently verified. This metric represents one facility of one portfolio company and is not representative of power factor outcomes across MiddleGround's portfolio. This figure is not a representation of investment performance or fund returns.

The estimated $170k in annual energy cost savings at one Shiloh facility represents a projection calculated by applying the facility's annual energy consumption to the default utility rate, which applied for approximately five months prior to the new rate, and comparing it to the annual cost under the newly secured contract rate. This is an annualized projection based on a partial-year rate comparison and is not a representation of actual costs incurred or saved over a full year. Supporting calculations are based on a combination of MiddleGround Capital's internal records and Shiloh- reported data and have not been independently verified. 'Hedging' refers to securing energy at predetermined contract rates to avoid anticipated future market price increases, it is not a reference to financial derivatives or commodity trading. This estimate reflects one facility of one portfolio company and is not representative of energy cost outcomes across MiddleGround's portfolio. This figure is not a representation of investment performance or fund returns.

Demand response metrics reflect portfolio company sites actively enrolled through MiddleGround Capital's third-party demand response partnership as of December 31, 2025.

'Actively enrolled' means sites have completed the required curtailment capability test and are eligible to participate in demand response events. Enrollment does not obligate sites to curtail consumption when called upon, participation is voluntary per applicable program terms, utility provider agreements, and state- specific regulations. Financial compensation, if any, is contingent upon actual curtailment events and site participation. No financial compensation figures are presented. The 11 programs figure may include multiple enrollments per site. These metrics are not a representation of investment performance or fund returns. Past enrollment activity is not indicative of future participation or financial outcomes.





SFDR Alignment[1]

MiddleGround Capital manages MiddleGround Partners III (EU), S.C.Sp as an Article 8 fund under the EU Sustainable Finance Disclosure Regulation (SFDR), meaning the fund formally promotes environmental and social characteristics as part of its investment strategy. This is not a disclosure formality — it reflects how we actually manage the portfolio.

For the 2025 reporting period, 99.33% of the fund's portfolio promoted its defined Environmental and Social Characteristics, mapped to five SDGs: No Poverty (SDG 1), Clean Water and Sanitation (SDG 6), Affordable and Clean Energy (SDG 7), Decent Work and Economic Growth (SDG 8), and Responsible Consumption and Production (SDG 12).

Performance against those characteristics was meaningful. On the social side, 99.33% of the portfolio maintained minimum wages at least 25% above the national poverty line, and 99.33% of the portfolio exceeded industry average safety and voluntary turnover benchmarks. On the environmental side, 99.33% of the portfolio met renewable energy thresholds under SDG 7, 45.08% achieved water reduction targets under SDG 6, and 54.25% of the portfolio met recycled materials thresholds under SDG 12.

These results are the product of a structured oversight model. Each portfolio company CEO serves as chairperson of their company's ESG committee, with a member of the MiddleGround ESG team serving as board-level advisor. Portfolio companies report ESG KPIs, set annual targets, and are subject to regular onsite review by the MiddleGround Operations Team. This governance structure ensures that SFDR characteristics are tracked operationally, not just reported retrospectively.

We are monitoring the proposed revisions to SFDR (commonly referred to as SFDR 2.0), published by the European Commission in November 2025, which would shift the framework from a disclosure-based regime to a product categorization system. We expect implementation no earlier than 2027 and are actively mapping our fund strategies against the proposed new categories as the legislative process develops.

Decarbonization with Gravity Climate[2]

MiddleGround Capital continued to deepen its decarbonization partnership with Gravity Climate this year, expanding the program to three additional portfolio companies through new site-level studies. These engagements bring Gravity's emissions measurement, scenario modeling, and project finance expertise directly to the plant floor, where the operational opportunity is greatest.

Across the studies completed to date, we have identified more than 35 targeted projects for evaluation, spanning a range of complexity and capital requirement. Projects under consideration include motion sensor lighting, LED retrofits, power factor correction, air compressor upgrades, waste heat recovery, and solar installation. Several of these initiatives are already underway, and we are beginning to see early operational results.

Beyond direct capital projects, we have also expanded the program in two important directions. First, in partnership with local universities, we have pursued Industrial Assessment Center (IAC) assessments at eligible facilities, leveraging federally funded energy audits to surface additional efficiency opportunities at no cost to portfolio companies. Second, we have engaged Gravity to conduct utility bill audits at manufacturing locations, identifying instances of mischarged taxes and rate classification errors that can represent meaningful cost recovery for operating businesses.

In our experience, decarbonization and financial performance are not necessarily competing priorities. By combining Gravity's analytical capabilities with our operational scale, we aim to help portfolio companies reduce emissions, recover costs, and build more resilient energy profiles over the long term.

DISCLOSURES

1. SFDR-related metrics presented above reflect MiddleGround Partners III (EU), S.C.Sp., which held two portfolio companies as of the 2025 reporting period. Percentages are weighted across these two companies (representing 99.33% combined weighting, with the remainder attributable to cash / other holdings — confirm); because of the small number of underlying investments, these figures should not be interpreted as representative of a larger or more diversified portfolio and may change significantly with future portfolio activity. Data is self-reported by portfolio companies and has not been independently verified. These metrics are specific to this fund and are not a representation of investment performance, fund returns, or outcomes at MiddleGround's other funds, and are not a guarantee of future results.

2. References to decarbonization initiatives, projected projects, and potential cost recovery reflect program objectives and MiddleGround's ongoing partnership with Gravity Climate. These initiatives are not a representation of investment performance, fund returns, or outcomes at any portfolio company, and do not guarantee particular emissions reductions, cost savings, or financial results.

02 Portfolio Case Studies

DISCLOSURE

Specific investments described herein do not represent all investment decisions made by MiddleGround. The reader should not assume that investment decisions identified and discussed were or will be profitable. Specific investment advice references provided herein are for illustrative purposes only and are not necessarily representative of investments that will be made in the future.



QUICK FACTS

INVESTMENT DATE:
July 2018

SECTOR:
Precision Machining

HEADQUARTERS:
Elyria, OH

FOOTPRINT:
5 facilities across OH, MI, and NY

FUND:
Fund I

FEATURED SDG ALIGNMENT:



2025 marked a landmark year for safety at Alco Manufacturing as it marked the company's strongest safety performance since joining the MiddleGround Capital portfolio.

The company's Total Recordable Incident Rate (TRIR) declined from 3.89 in 2024 to 2.33 by year-end 2025, a year-over-year improvement of approximately 40%, falling below both Alco's internal 3.11 target and the 3.20 BLS Fabricated Metal Products Manufacturing (2023) industry benchmark. The Days Away, Restricted, or Transfer (DART) rate improved even more dramatically, dropping from 2.74 to 1.29, 28% below the 1.80 target. This progress reflects sustained investment in safety infrastructure across facilities, including enhanced training programs, implementation of greater executive oversight through improved reporting processes, and establishment of monthly cross-location Safety Management Committee meetings to share best practices and proactively address common risks before they lead to incidents.

DISCLAIMER

Safety metrics referenced above reflect data reported by Alco Manufacturing to MiddleGround Capital, which has not been independently verified. The industry benchmarks reflects the Bureau of Labor Statistics (BLS) fabricated metal products manufacturing (NAICS 332) industry average for calendar year 2023, the most recently available year at the time Alco established its 2025 safety targets. The approximately 40% year-over-year TRIR improvement is calculated from 2024 to 2025. These metrics reflect the experience of one portfolio company and are not representative of outcomes across MiddleGround's portfolio. These figures are not a representation of investment performance, fund returns, or outcomes at any portfolio company, and are not a guarantee of future results.





STEELCRAFT

QUICK FACTS

INVESTMENT DATE:
May 2019

SECTOR:
Metal Fabrication, Welding, Stamping, Painting/Coating

HEADQUARTERS:
Hartford, WI

FOOTPRINT:
4 Facilities in Wisconsin

FUND:
Fund I

FEATURED SDG ALIGNMENT:



Steel Craft Corporation's Milwaukee facility celebrated a three-year milestone without a lost time incident in Q4 2025, a testament to the sustained safety culture built across the facility's team.

Across all Steel Craft manufacturing sites, the full-year 2025 TRIR was 2.75 and DART was 1.00, below the BLS Fabricated Metal Products Manufacturing (2023) industry benchmarks of 3.20 and 1.80, respectively.

In 2025, Steel Craft continued to advance its safety program across manufacturing locations, initiating the rollout of its Critical Eye safety program, a suite of training activities including crane and rigging classes, LOTO evaluations, NFPA 70E electrical safety training, hearing conservation testing, and a pre-shift stretching program at the finishing facility, reinforcing a comprehensive, systems-based approach to occupational health and safety.

In 2025, Steel Craft completed a significant organizational milestone with its "One Company" integration, consolidating its business units under a single cohesive brand and corporate structure. The initiative broke down organizational silos and laid the foundation for enhanced cross-training and succession planning, with a cross-training matrix actively being developed for production roles to give employees more defined growth pathways. Alongside the integration, Steel Craft embedded training completion tracking directly into its performance management process, increasing accountability for workforce development and tying training participation to formal performance reviews. The company also conducted its annual employee engagement survey, achieving 65% participation, with results analyzed by theme, location, and manager to build targeted action plans around communication, recognition, and engagement activities. Quarterly group volunteer events were introduced following employee feedback from the prior year's survey, encouraging community participation while reinforcing a culture of team engagement.

DISCLOSURES

Safety and engagement metrics referenced above reflect data reported by Steel Craft Corporation to MiddleGround Capital, which has not been independently verified. Industry benchmark figures are based on publicly available BLS/NAICS 332 data for Fabricated Metal Product Manufacturing (2023). These metrics reflect the experience of one portfolio company and are not representative of outcomes across MiddleGround Capital's portfolio. These figures are not a representation of investment performance, fund returns, or outcomes at any portfolio company, and are not a guarantee of future results. Past safety and operational performance is not necessarily indicative of future results.



DURA SHILOH

QUICK FACTS

INVESTMENT DATE: November 2020	**SECTOR:** Automotive
HEADQUARTERS: Valley City, OH	**FOOTPRINT:** 32 Facilities Worldwide
FUND: Fund I/Mobility Opportunity Fund	**FEATURED SDG ALIGNEMENT:** 8 DECENT WORK AND ECONOMIC GROWTH

In 2025, Dura-Shiloh made meaningful progress on worker safety through a series of interconnected initiatives. The company deployed a hazard recognition program across all sites, completing Level-Up self-assessments at all locations, and continued implementation of the Dura-Shiloh Production System (DSPS) Safety Pillar requirements. All sites developed individualized Safety Action Plans, with increased attention at sites identified through the DSPS as higher risk, including regular tracking meetings to monitor completion and increased EHS stakeholder training.

The rollout of a new Near Miss Reporting Program, combined with site-specific powered industrial vehicle improvement actions, drove a 10% increase in unsafe act/unsafe condition reporting and an 8% increase in Safety Gemba activity, reflecting a stronger proactive safety culture, more hazards being identified and corrected, not more unsafe conditions occurring. Hourly worker Safety Committees were also established to further embed frontline engagement. These efforts contributed to a full-year TRIR of 1.1 and DART rate of 0.71, improvements of approximately 8% and 26%, compared to DuraShiloh's 2024 TRIR of 1.2 and DART rate of 0.96.

DISCLOSURES

Safety metrics referenced above reflect data reported by Dura-Shiloh to MiddleGround Capital, which has not been independently verified. The 2024 baseline figures (TRIR: 1.20; DART rate: 0.96) and 2025 full-year figures (TRIR: 1.1; DART rate: 0.71) reflect data as reported by Dura-Shiloh management. Year-over-year percentage improvements are derived from those reported figures.

References to activities conducted at "all sites," "all locations," or "every facility" reflect disclosures made by Dura-Shiloh management for the full-year 2025 period. MiddleGround Capital has not independently verified that each program or initiative was completed without exception at every Dura-Shiloh facility.

These figures reflect the experience of one portfolio company and are not representative of outcomes across MiddleGround's portfolio. These figures are not a representation of investment performance, fund returns, or outcomes at any portfolio company, and are not a guarantee of future results.

ATTALA STEEL INDUSTRIES

QUICK FACTS

INVESTMENT DATE:
December 2020

SECTOR:
Infrastructure

HEADQUARTERS:
Kosciusko, MS

FOOTPRINT:
1 Facility in Kosciusco, MS

FUND:
Fund I

FEATURED SDG ALIGNMENT:





Through enhanced data logging, improved operational controls, and tightened accountability around temperature management and acid recovery in the pickling process, Attala Steel reduced its water consumption from 231.1 gallons per ton in Q1 2025 to 147.3 gallons per ton in Q1 2026, a 36% improvement year-over-year.

This sustained reduction reflects a broader cultural shift toward resource efficiency at Attala. Prior to the upgrade, the facility's acid tanks required pump-outs approximately every three weeks, generating roughly $28,000 in disposal costs and consuming approximately 13,000 gallons of water per pump-out to refill. The upgraded system substantially reduced pump-out frequency, with estimated annual disposal cost savings of approximately $308,000 and an estimated water consumption reduction of approximately 143,000 gallons per year.

The installation of flow meters on the breakdown mill's heat exchanger at the Kosciusko facility in 2024 provided the granular monitoring capability that enabled these improvements, allowing operators to precisely modulate water flow while maintaining optimal oil temperatures. Looking forward, Attala is evaluating a redesigned galvanizing rack with reduced surface area, intended to extend acid life and lower zinc consumption. If implemented, MiddleGround estimates this could generate approximately $500,000 in annual zinc usage savings.

DISCLOSURES

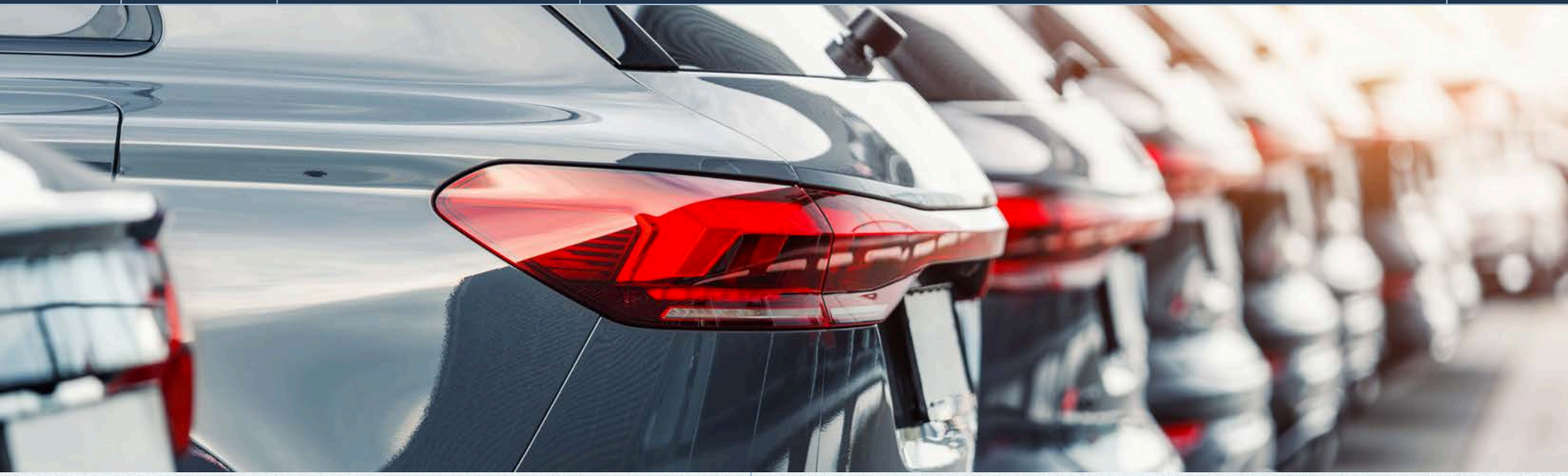
The metrics referenced above are specific to Attala Steel Industry's (ASI's) Kosciusko facility and reflect data reported by ASI to MiddleGround Capital, which has not been independently verified. The $500,000 estimated annual zinc savings reflects a preliminary evaluation of a proposed galvanizing rack redesign that has not yet been implemented; this is a projection only, and actual savings, if the project is implemented, may differ materially or may not be realized. These metrics reflect the experience of one portfolio company and are not representative of outcomes across MiddleGround's portfolio. These figures are not a representation of investment performance, fund returns, or outcomes at any portfolio company, and are not a guarantee of future results.

The annual disposal cost savings of approximately $308,000 and water reduction of approximately 143,000 gallons associated with the acid recovery system are projected annualized figures based on approximately three months of post-installation operating data reported by ASI to MiddleGround in August 2025. These are not realized full-year figures. Actual results may differ materially from these projections. These figures have not been independently verified by MiddleGround.

All metrics referenced in this case study relate solely to ASI's Kosciusko, Mississippi facility. The acid recovery system was repurposed from ASI's closed Hillsboro location and installed at Kosciusko in May 2025. These figures do not reflect operations at any other ASI location.

The projected annual acid recovery savings were calculated using the following assumptions: (i) prior to installation, acid tanks required pump-outs approximately every three weeks, yielding approximately 17 pump-outs per year; (ii) following installation, approximately six pump-outs per year are assumed, based on a conservative reading of post-installation operating experience; (iii) each pump-out carries a disposal cost of approximately $28,000 and requires approximately 13,000 gallons of water to refill; and (iv) net annual savings therefore reflect approximately 11 fewer pump-outs per year, yielding disposal cost savings of approximately $308,000 (11 × $28,000) and water savings of approximately 143,000 gallons (11 × 13,000 gallons). All inputs reflect the conservative end of the ranges reported by ASI.





PLASMAN

QUICK FACTS

INVESTMENT DATE:
October 2021

SECTOR:
Automotive

HEADQUARTERS:
Oldcastle, ON

FOOTPRINT:
22 Facilicies Worldwide

FUND:
Fund I/Mobility Opportunity Fund

FEATURED SDG ALIGNMENT:



Plasman demonstrated meaningful progress on environmental sustainability in 2025 across several operational fronts.

On chemical management, Tilbury Manufacturing reduced its consumption of virgin chemical solvents by integrating reclaimed solvent into paint line cleaning processes. Recycled solvent now handles non-critical cleaning tasks, with virgin solvent reserved only for color-critical applications, cutting new solvent consumption and lowering the associated environmental footprint.

On waste, the installation of cardboard compactors across Windsor 3 Manufacturing reduced recyclable waste volume, decreased pickup frequency, and improved site organization, with downstream benefits for transportation-related emissions.

Perhaps the most significant initiative was the continued transition from gas-powered to electric forklifts across the Plasman network. In 2025, Queretaro Manufacturing completed its conversion, replacing 14 units with electric alternatives. Plasman projects this will reduce annual emissions and generate annual fuel and maintenance cost savings. Combined with speed governing measures implemented at other locations, the forklift program is expected to support both environmental and safety improvements across Plasman's operations.

DISCLOSURES

Figures and program details referenced above reflect information reported by Plasman to MiddleGround Capital, which has not been independently verified by MiddleGround or any third party.

The reference to projected emissions reductions and cost savings from the Queretaro forklift conversion reflects Plasman's own forward-looking projections, as reported to MiddleGround and separately disclosed in Plasman's 2025 Sustainability Report. MiddleGround has not independently reviewed or verified the calculation methodology underlying these projections, and no specific projection figures are presented by MiddleGround in connection with this initiative. Actual results may differ materially from Plasman's projections.

These figures reflect the experience of one portfolio company and are not representative of outcomes across MiddleGround Capital's portfolio. These references are not a representation of investment performance, fund returns, or outcomes at any portfolio company, and are not a guarantee of future results.

QUICK FACTS

INVESTMENT DATE:
November 2021

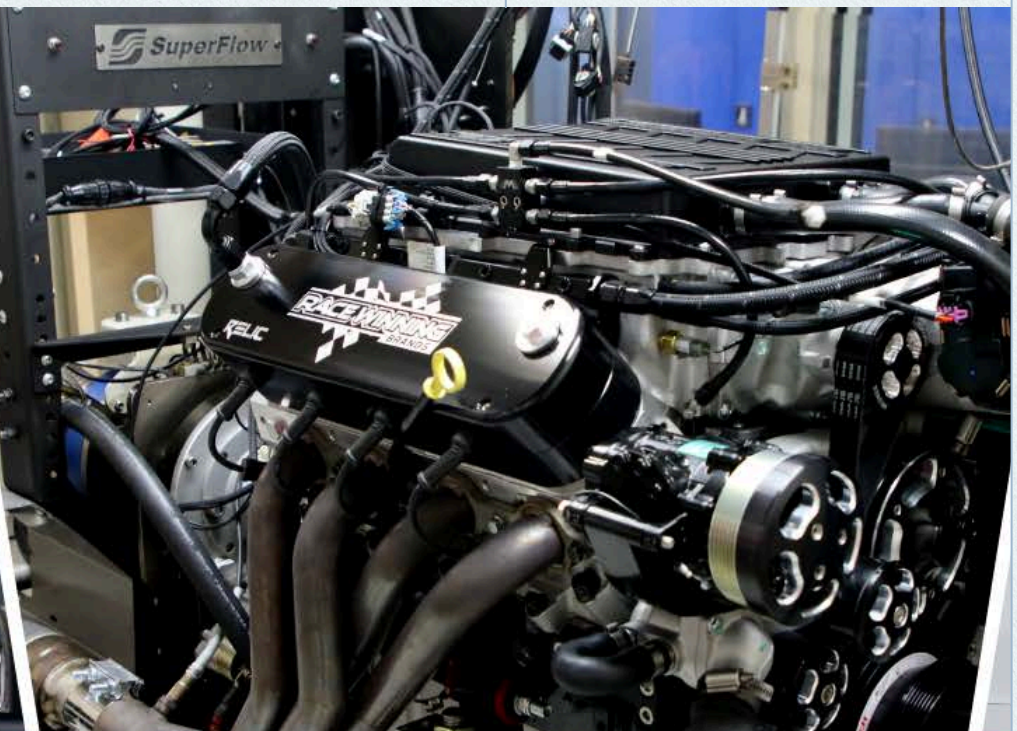
SECTOR:
Automotive

HEADQUARTERS:
Mentor, OH

FOOTPRINT:
20 Facilities Worldwide

FUND:
Fund II

FEATURED SDG ALIGNMENT:



Race Winning Brands reduced its Total Recordable Incident Rate from 1.60 in 2024 to 0.80 in 2025, a 50% year-over-year improvement that placed the company approximately 76% below the 3.40 BLS Transportation Equipment Manufacturing (2023) industry benchmark. The DART rate declined from 0.90 to 0.60.

In 2025, Race Winning Brands conducted organization-wide safety audits across its manufacturing locations, implemented a Safety Action Item reporting process, established weekly safety meetings, retrofitted machine guarding and developed lockout-tagout protocols across critical operations.

This level of continuous improvement reflects the maturation of Race Winning Brands' EHS management system following several years of consistent investment in safety culture, incident investigation, and corrective action tracking.

DISCLOSURES

Safety metrics referenced above reflect data reported by Race Winning Brands to MiddleGround Capital, which has not been independently verified. Industry benchmark figures are based on Bureau of Labor Statistics data for NAICS 336 (Transportation Equipment Manufacturing), 2023, the most recently available year at the time Race Winning Brands established its 2025 safety targets. These metrics reflect the experience of one portfolio company and are not representative of outcomes across MiddleGround's portfolio. These figures are not a representation of investment performance, fund returns, or outcomes at any portfolio company, and are not a guarantee of future results.



"The progress Race Winning Brands made on safety in 2025 didn't happen by accident; it's the result of years of consistent investment in their safety culture. Auditing every location, retrofitting machine guarding, and building out their safety reporting process are the types of activities that enabled them to cut their incident rate in half. And it's what a mature EHS program looks like in practice.

Ryan McComb
Managing Director,
MiddleGround Capital

QUICK FACTS

INVESTMENT DATE:
September 2022

SECTOR:
Bicycle Parts and Accessories Distribution

HEADQUARTERS:
Quebec City, Quebec

FOOTPRINT:
2 Facilities in N. America

FUND:
Fund II

FEATURED SDG ALIGNMENT:

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

At their Sparks location, HLC implemented a cardboard shredding and reuse program near the end of 2024. The 2025 performance delivered meaningful environmental and cost benefits. By shredding and reusing inbound cardboard as protective packaging material, HLC cut trash collection frequency by 50% and eliminated the need for a 30-yard waste compactor, saving an estimated $9,000 per year in compactor rental costs. Cardboard reuse rates climbed from zero to over 80%, and by Q1 2026, the program had cumulatively saved 37 cubic yards of landfill space.

DISCLOSURES

Figures referenced above reflect data reported by HLC to MiddleGround Capital, which has not been independently verified. These figures reflect the experience of one portfolio company and are not representative of outcomes across MiddleGround's portfolio. These figures are not a representation of investment performance, fund returns, or outcomes at any portfolio company, and are not a guarantee of future results.
The $9,000 annual savings estimate reflects $772 per month in disposal cost savings documented in HLC's Q3 and Q4 2025 ESG Committee reporting, annualized over 12 months ($772 × 12 = $9,264, rounded to approximately $9,000 for purposes of this report). Compactor rental represents a component of total disposal cost savings. All other figures referenced above reflect data reported by HLC to MiddleGround Capital, which has not been independently verified. These figures reflect the experience of one portfolio company and are not representative of outcomes across MiddleGround's portfolio. These figures are not a representation of investment performance, fund returns, or outcomes at any portfolio company, and are not a guarantee of future results.



SIXAXIS

QUICK FACTS

INVESTMENT DATE:
November 2022

SECTOR:
Worker Safety / Access Solutions

HEADQUARTERS:
Andrews, SC

FOOTPRINT:
2 facilities in North America

FUND:
Fund II

FEATURED SDG ALIGNMENT:





SixAxis continues to make significant strides in reducing company-wide turnover, achieving an annualized turnover rate of 23.7% in 2025, down from 29.7% in 2024 and well below the BLS 2024 General Manufacturing benchmark of 32.46%. A key driver was the Night Shift Turnover Improvement project, which combined a shift wage premium, an updated interview process designed to improve candidate-role fit, and a revised PTO policy that compensates separating employees who complete their full notice period and exit interview. These structural changes were supported by sustained progress on wages across the broader workforce. By year-end 2025, 74% of employees were earning at or above $25 per hour, and SixAxis's minimum hourly wage had grown from $14 to $21 over the prior three years.

SixAxis also sustained an active employee engagement program throughout 2025. A dedicated Employee Engagement Team organized regular programming including family nights at local baseball games, an annual Employee Appreciation Day, Town Hall meetings, a Veterans Day luncheon, Thanksgiving lunches, and a holiday event. The company continued community and diversity outreach through a YMCA Rising Gents sponsorship in Andrews, South Carolina, support for Women in Manufacturing, anti-harassment training delivered to production employees, and participation in career fairs at South Carolina universities and community organizations. A full-time Learning and Development resource is also being developed to support career advancement opportunities for the workforce.

DISCLOSURES

Figures referenced above reflect data reported by SixAxis to MiddleGround Capital, which has not been independently verified.

Industry turnover benchmark figures are based on Bureau of Labor Statistics Job Openings and Labor Turnover Survey (JOLTS) data for General Manufacturing, 2024, the most recently available year at the time SixAxis established its 2025 turnover targets; calculated using the following BLS series: Employment (CEU3000000001), Total Separations (JTU3000000000000000TSL), Quits (JTU3000000000000000QUL), and Other Separations (JTU3000000000000000OSL), not seasonally adjusted for all US areas and size classes.

The 74% figure is derived from 116 employees below the $25 per hour threshold as of year-end 2025, down from 158 employees at year-end 2024, as reported by SixAxis. The $14 to $21 per hour increase in minimum wage represents a 50% increase and was reported by SixAxis in Q1 2025 as reflecting the period from approximately 2022 through early 2025. The 25x25 workforce figures include international employees as of Q1 2024 per SixAxis reporting methodology. All wage data reflects figures reported by SixAxis to MiddleGround Capital, which has not been independently verified. These figures reflect the experience of one portfolio company and are not representative of outcomes across MiddleGround's portfolio. These figures are not a representation of investment performance, fund returns, or outcomes at any portfolio company, and are not a guarantee of future results.

QUICK FACTS

INVESTMENT DATE:
February 2023

SECTOR:
Injection Molding

HEADQUARTERS:
Hopkins, MN

FOOTPRINT:
4 Facilities in North America

FUND:
Fund I/Mobility Opportunity Fund

FEATURED SDG ALIGNMENT:





TTPM Manufacturing achieved a 7% year-over-year improvement in energy intensity in 2025, declining from 0.197 kWh per dollar of revenue in 2024 to 0.184 in 2025. This improvement reflects sustained energy management across TPM's four facilities in the U.S. and Mexico.

At the Querétaro facility, the team implemented a collaborative energy-saving strategy across production and maintenance functions, with a focus on ongoing air leak identification and repair. Maintenance identified and repaired reported air leaks in the machines, fixed water leaks in damaged pipelines, and replaced damaged and leaking hoses in the thermoregulators. The team also installed pipe valves to reduce water discharge during mold changes. The Monterrey facility adopted 4-day production schedules that eliminated energy consumption on non-production days, alongside a lights on/off program across the production floor.

In Juárez, the team completed the technical groundwork for a transition to a new clean energy supplier, including electrical panel thermography and contract documentation, with the full supply transition expected to take effect in early 2026.

DISCLOSURES

Figures referenced above reflect data reported by TPM Manufacturing to MiddleGround Capital, which has not been independently verified. These figures reflect the experience of one portfolio company and are not representative of outcomes across MiddleGround's portfolio. These figures are not a representation of investment performance, fund returns, or outcomes at any portfolio company, and are not a guarantee of future results.

Energy intensity figures and facility-level operational data reflect information reported by TPM Manufacturing to MiddleGround Capital, which has not been independently verified. The 2025 full-year energy intensity figure is calculated from quarterly data reported across all four quarters of 2025. These figures reflect the experience of one portfolio company and are not representative of outcomes across MiddleGround's portfolio. These figures are not a representation of investment performance, fund returns, or outcomes at any portfolio company, and are not a guarantee of future results.



QUICK FACTS

INVESTMENT DATE:
July 2023

SECTOR:
Automotive

HEADQUARTERS:
Thatcham, United Kingdom

FOOTPRINT:
3 facilities across the U.S. and UK

FUND:
Fund II / Mobility Opportunity Fund

FEATURED SDG ALIGNMENT:





In February 2025, Xtrac commenced the certification process for FIA 3-Star Environmental Accreditation, the FIA's highest environmental accreditation tier and a steppingstone toward ISO 14001 certification. As of year-end 2025, the accreditation process remains in progress.

Xtrac had previously earned FIA Two-Star accreditation, demonstrating strong environmental performance across 17 criteria including energy use, supply chain management, transport planning, noise management, and carbon emissions. The step to Three-Star requires demonstrating not just good practice, but best practice and a commitment to continual environmental improvement.

Simultaneously, Xtrac installed 22 EV charging stations for employee use at its UK facility, supporting the workforce's transition to electric vehicles.

DISCLOSURES:

FIA accreditation status reflects Xtrac's reported progress as of December 31, 2025, and has not been independently verified by MiddleGround Capital. The FIA 3-Star Environmental Accreditation process was ongoing as of the report date; no representation is made that certification has been or will be achieved. References to accreditation criteria and environmental initiatives reflect information reported by Xtrac to MiddleGround Capital. These references reflect the experience of one portfolio company and are not representative of outcomes across MiddleGround's portfolio, and are not a representation of investment performance, fund returns, or outcomes at any portfolio company, and are not a guarantee of future results.



"It's easy to say people come first. It's harder to build KPIs around it. In 2025, Helix did both, closing wage gaps and turning employee feedback into five measurable Pillars of Action for 2026. Watching that discipline take shape, and supporting it along the way, is exactly the kind of partnership we aim for.

Alexander van der Have
Partner, MiddleGround Capital

helix

QUICK FACTS

INVESTMENT DATE:
July 2024

SECTOR:
Automotive

HEADQUARTERS:
Milton Keynes, United Kingdom

FOOTPRINT:
3 Facilities in the UK

FUND:
Fund II / Mobility Opportunity Fund

FEATURED SDG ALIGNMENT:



By year-end 2025, Helix achieved a major compensation milestone: zero employees earning below their $25/hour international equivalent benchmark.

Additionally, the company conducted its first-ever employee engagement survey in September 2025, achieving 66% participation. From the results, five Pillars of Action were defined for 2026, covering Strategy, Trust, Operations, Communications, and Ways of Working, with KPIs linked to each pillar and embedded into 2026 employee objectives.

A new communications hub within the company intranet was launched as a single source of truth to support the communication pillar through regular updates from leadership, a new employee recognition and awards program, "Powered by Dedication," and the launch of their Employee Engagement Forum, bringing together 15 high-performing employees to serve as the company's voice for continuous cultural improvement.

Helix advanced its environmental commitments this year by achieving ISO 14001:2015 certification, the international standard for environmental management systems at its Shenley Technical Center, awarded by BSI (British Standards Institution) in May 2025. In partnership with a new waste management vendor, the company implemented an upgraded recycling program, introducing facility-wide bin segregation and food waste separation at the Shenley Technical Center.

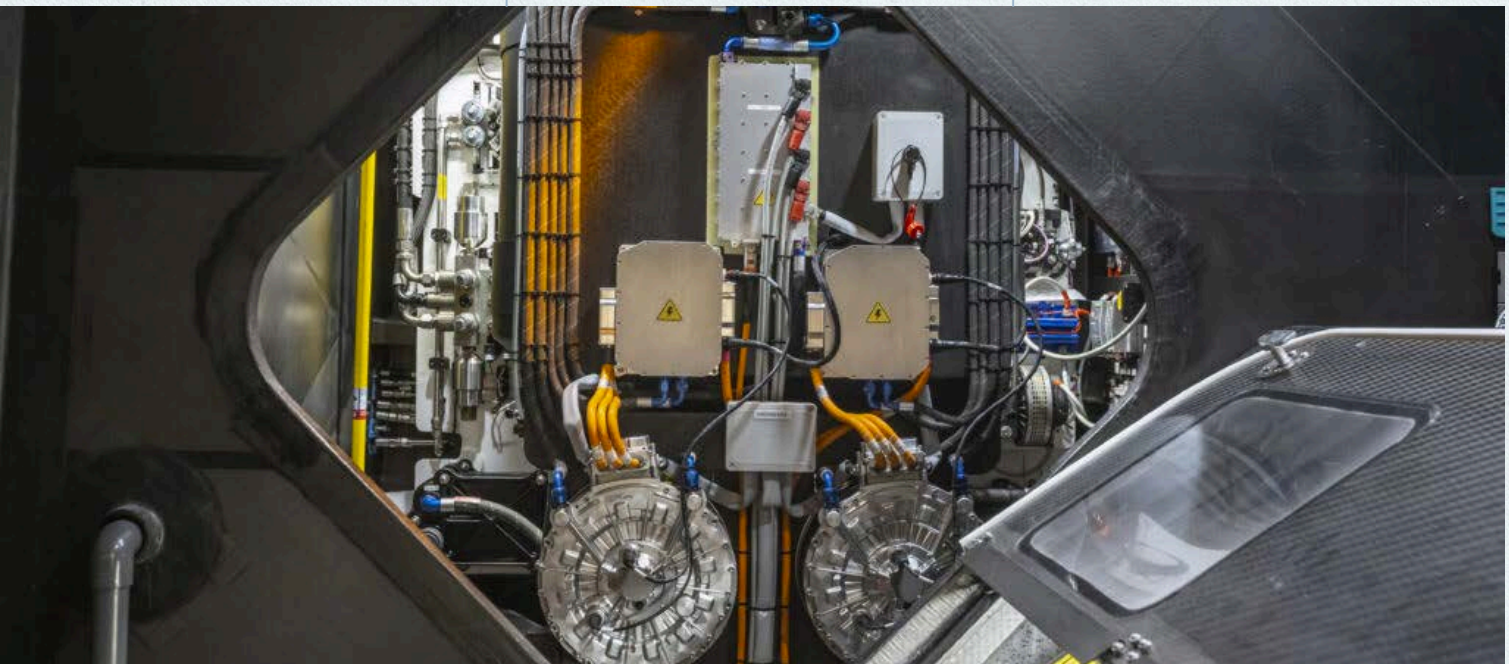
DISCLOSURES

Metrics referenced above are specific to Helix and reflect data reported by Helix to MiddleGround Capital, which has not been independently verified, other than the ISO 14001 certification, which was issued following third-party audit. These metrics reflect the experience of one portfolio company and are not representative of outcomes across MiddleGround's portfolio. These figures are not a representation of investment performance, fund returns, or outcomes at any portfolio company, and are not a guarantee of future results.

The $25/hour international equivalent benchmark reflects MiddleGround firmwide compensation standard applied to full-time employees. International equivalents are calculated using Willis Towers Watson benchmark salary data (2022 base year) with country-specific average inflation rates (10-year averages, 2012–2022) projected to 2025, accounting for variables including industry classification, job title, years of experience, and pay scale percentile. Variable pay, discretionary pay, and benefits are excluded from the base wage calculation. Data reflects wages as of January 1, 2026. This methodology is applied consistently across all MiddleGround portfolio companies where this benchmark is referenced.

ISO 14001:2015 certification (Certificate No. EMS 809745) was awarded by BSI (British Standards Institution) following a Stage 2 certification audit completed in May 2025 at Helix's Shenley Technical Center.

All other metrics and initiatives referenced above are specific to Helix and reflect data reported by Helix to MiddleGround Capital, which has not been independently verified. These metrics reflect the experience of one portfolio company and are not representative of outcomes across MiddleGround's portfolio. These figures are not a representation of investment performance, fund returns, or outcomes at any portfolio company, and are not a guarantee of future results.



new eagle

QUICK FACTS

INVESTMENT DATE:
November 2021

SECTOR:
Automotive

HEADQUARTERS:
Ann Arbor, MI

FOOTPRINT:
2 Facilities in North America

FUND:
Fund II/Mobility Opportunity Fund

FEATURED SDG ALIGNMENT:



New Eagle continues to deepen its investment in its people and governance infrastructure. Building on the Global Career Ladder established in the prior year, the company deployed a formal automated goal setting and performance management process to give the career framework structure through defined accountability and development planning.

New Eagle also revamped its employee communications, transitioning from monthly to quarterly Town Hall meetings and introducing a new monthly internal magazine, an updated Rewards and Recognition program, and the launch of E-Team Open Hours to encourage direct employee engagement with leadership. These efforts helped the company maintain its 76% employee engagement survey participation rate for the second consecutive year.

On governance, New Eagle formally published a Global Code of Conduct, a Human Rights policy, an Equality and Diversity policy, and a Critical Materials policy during 2025, and updated its whistleblower reporting process. The company also launched an inaugural Supplier Code of Conduct incorporating ESG considerations, accompanied by a Supplier Questionnaire, extending its values and standards to its supplier base for the first time.

DISCLOSURES

Program and policy details referenced above reflect information reported by New Eagle to MiddleGround Capital, which has not been independently verified. Policy publication dates and status reflect New Eagle's own reporting to MiddleGround Capital; no independent confirmation of formal external publication has been obtained. These details reflect the experience of one portfolio company and are not representative of outcomes across MiddleGround's portfolio. These details are not a representation of investment performance, fund returns, or outcomes at any portfolio company, and are not a guarantee of future results.



IT8
YOUR ENGINEERING PARTNER

QUICK FACTS

INVESTMENT DATE:
March 2024

SECTOR:
Engineering Services

HEADQUARTERS:
Valencia, Spain

FOOTPRINT:
5 Facilities Across 5 Countries

FUND:
Fund II/Mobility Opportunity Fund

FEATURED SDG ALIGNMENT:





IT8's approach to environmental stewardship was powered by its U.S. fleet management strategy. Rather than pursue full EV conversion, IT8 adopted a vehicle right-sizing approach: replacing five- and seven-passenger vehicles with 15-passenger, high-capacity vehicles to reduce total vehicle trips and lower emissions per person. In Spain, the majority of IT8's fleet has transitioned to EV, HEV, or PHEV.

IT8 also developed its own IMS (Integrated Management System), built on a company intranet and spanning all five countries of operation (Spain, U.S., Mexico, Germany, and India). The IMS tracks waste by category across sites, with electronic waste, batteries, and air conditioning units formally logged and managed under formal ISO 14001 frameworks at all five certified locations.

DISCLOSURES

Program details referenced above reflect data reported by IT8 to MiddleGround Capital, which has not been independently verified, other than ISO 14001 certifications, which involve third-party audit. These details reflect the experience of one portfolio company and are not representative of outcomes across MiddleGround's portfolio. These figures are not a representation of investment performance, fund returns, or outcomes at any portfolio company, and are not a guarantee of future results.





A. M. Castle & Co.

QUICK FACTS

INVESTMENT DATE:
May 2023

SECTOR:
Metal Processing & Distribution

HEADQUARTERS:
Carol Stream, IL

FOOTPRINT:
32 facilities across 9 countries

FUND:
Carbon CV

FEATURED SDG ALIGNMENT:



In 2025, A.M. Castle & Co. launched a comprehensive energy management and decarbonization initiative in partnership with Gravity Climate, conducting energy assessments across multiple sites to identify opportunities to reduce their carbon footprint and lower operating costs. The initiative identified more than 30 actionable energy projects with projected combined annual cost savings of $367,000 and approximately 536 metric tons of CO2e in emissions reductions per year.

Implementation is already underway. A compressed air leak audit completed in Q1 2025 resulted in leak corrections across assessed sites, with projected annual savings of 245,642 kWh and $24,564 in cost reductions. Additional projects in progress include enrollment in demand response programs, compressor setpoint optimizations, and variable-speed drive installations, suggesting that the gap between assessment and action is closing quickly.

DISCLOSURE

Figures referenced above reflect energy assessment and project data reported by A.M. Castle & Co. to MiddleGround Capital in partnership with Gravity Climate, which has not been independently verified. The $367,000 in projected combined annual cost savings and approximately 536 metric tons of CO2e in annual emissions reductions represent forward-looking estimates across the full slate of identified projects; as of December 31, 2025, most of these projects have not yet been implemented. Actual savings will depend on implementation timing, site conditions, and utility rates, and may differ materially from these projections. The $367,000 projected total reflects forward-looking estimates across all identified projects; no realized savings figures are available, as actual energy reductions have not yet been measured against a baseline. The $24,564 annual cost savings and 245,642 kWh annual energy savings figures reflect projected savings from compressed air leaks identified and corrected following completion of the audit in Q1 2025, and are included within the combined $367,000 projected savings total. These figures reflect the experience of one portfolio company and are not representative of outcomes across MiddleGround's portfolio. These figures are not a representation of investment performance, fund returns, or outcomes at any portfolio company, and are not a guarantee of future results.



Starrett®

QUICK FACTS

INVESTMENT DATE:
May 2024

SECTOR:
Precision Measurement Tools and Manufacturing Instruments

HEADQUARTERS:
Athol, Massachusetts

FOOTPRINT:
8 Facilities Across 4 Countries

FUND:
Fund III

FEATURED SDG ALIGNMENT:



In 2025, L.S. Starrett achieved notable progress across its environmental management agenda, driven by facility-level energy initiatives and continued expansion of its environmental certification footprint.

Starrett's energy intensity reached 0.103 kWh per dollar of revenue in 2025, well below the internally established target of 0.125. This improvement was driven by operational efficiencies at several North American sites, a photovoltaic solar system installed by the property owner at Starrett's leased Suzhou, China facility, which reduced Starrett's energy costs at that location by approximately 15%. Separately, Starrett transitioned the Jedburgh, Scotland facility to a 100% renewable electricity tariff in 2025, increasing its renewable energy procurement from 74% in the prior contract period.

Complementing these energy improvements, Starrett's Brazil facility achieved ISO 14001 environmental management certification in Q4 2025, the second Starrett site to be certified during MiddleGround's ownership, following the Suzhou, China facility, which was certified in Q4 2024.

DISCLOSURES

Figures referenced above reflect data reported by L.S. Starrett to MiddleGround Capital, which has not been independently verified, other than the ISO 14001 certifications, which involved third-party audit.

The energy intensity figure of 0.103 kWh per dollar of revenue reflects Starrett's full-year 2025 performance as reported in Starrett's internal ESG tracking. The 0.125 target referenced is an internally established benchmark set by Starrett.
The approximately 15% reduction in energy costs at the Suzhou, China facility reflects figures reported by Starrett to MiddleGround Capital and has not been independently verified.

The characterization of the Jedburgh, Scotland facility's 2025 electricity supply as a 100% renewable tariff, and the prior contract period as 74% renewable (with the remaining 26% sourced from nuclear generation), reflects information reported by Starrett to MiddleGround Capital and has not been independently verified.

These figures reflect the experience of one portfolio company and are not representative of outcomes across MiddleGround's portfolio. These figures are not a representation of investment performance, fund returns, or outcomes at any portfolio company, and are not a guarantee of future results.

STEMMER IMAGING

QUICK FACTS

INVESTMENT DATE:
November 2024

SECTOR:
Machine Vision

HEADQUARTERS:
Munich, Germany

FOOTPRINT:
19 Facilities across Europe, North America, and South America

FUND:
Fund III

FEATURED SDG ALIGNMENT:





In December 2025, Stemmer Imaging executed a Carbon Neutral Contractual (CCN) agreement with UPS, replacing the variable per-destination surcharges it had previously paid for carbon-neutral shipping with a flat rate based on total shipment volume and weight. The new rate is expected to reduce Stemmer Imaging's annual carbon-neutral shipping costs by approximately €2,940 per year, beginning in 2026.

The Stemmer Imaging Headquarters was also relocated to a LEED Gold-certified building in 2025, and a combined ISO14001 and ISO50001 audit was initiated in late 2025 at the Munich Headquarters and Puchheim sites, advancing Stemmer Imaging's pathway toward formal environmental management certification. The audit process extended into 2026. Stemmer Imaging's German operations procure 100% of their electricity from renewable sources. 97% of the packaging materials within Stemmer Imaging's direct control are made from recyclable materials or are recovered and recycled through Stemmer Imaging's repackaging process.

DISCLOSURES

Figures and certifications referenced above reflect data reported by Stemmer Imaging to MiddleGround Capital, which has not been independently verified, other than the ISO and LEED certifications noted, which involve third-party audit or certification processes. These figures reflect the experience of one portfolio company and are not representative of outcomes across MiddleGround's portfolio. These references are not a representation of investment performance, fund returns, or outcomes at any portfolio company, and are not a guarantee of future results.

The ISO 14001 and ISO 50001 audit process initiated in late 2025 extended into 2026, after the December 31, 2025 reporting period for this report. This item is included as a subsequent event to provide context regarding an initiative underway at the time of publication.

The UPS Carbon Neutral Contractual (CCN) program operates through UPS's purchase of certified carbon offsets corresponding to the estimated greenhouse gas emissions of covered shipments, through projects including reforestation, landfill gas destruction, wastewater treatment, and methane destruction. Offsets are sourced through Climate Impact Partners and are required to meet the additionality standard, meaning the emissions reduction produced must be in addition to what would have been achieved absent the project. This arrangement reduces Stemmer Imaging's Scope 3 shipping emissions on a net basis and does not represent the physical elimination of greenhouse gas emissions from Stemmer Imaging's shipments. The certification standards applicable to the offsets purchased by UPS have not been independently verified by MiddleGround Capital.

The estimated annual savings of approximately €2,940 reflect the difference between the prior per-destination carbon neutrality charges (€0.20 per shipment within Germany, €0.30 within the EU, and €0.80 for non-EU destinations) and the new flat rate of €0.11 per shipment under the CCN agreement, applied to Stemmer Imaging's historical annual shipment volume of approximately 21,000 shipments. This is a forward-looking estimate based on prior period shipment volume and destination mix and is not a guarantee of future cost savings. Actual savings will depend on future shipment volumes and destination mix and may differ from this estimate.

The 100% renewable electricity figure applies to electricity consumption at Stemmer Imaging's German operations only and does not include other energy inputs such as natural gas or heating fuel. The specific renewable electricity procurement mechanism (which may include Guarantees of Origin, a direct renewable supply agreement, or other instruments) has not been independently confirmed by MiddleGround Capital.

The 97% recyclable packaging figure is limited to outbound packaging materials within Stemmer Imaging's direct procurement and specification, consisting primarily of cardboard and paper. "Direct control" refers to outbound packaging specified or procured directly by Stemmer Imaging. It excludes packaging over which Stemmer Imaging has no direct control, including supplier-specified inbound packaging.

The LEED Gold certification of Stemmer Imaging's headquarters building has been verified through the third-party certification process administered by the U.S. Green Building Council.



05

Exits

- Lindsay Precast
- Arrow Tru-Line
- Vytl Controls Group



Lindsay PRECAST

QUICK FACTS
INVESTMENT DATE: November 2021
SECTOR: Industrials
HEADQUARTERS: Gainesville, Florida
FOOTPRINT: 10 Facilities
FUND: Fund II





Lindsay Precast exited MiddleGround Capital's portfolio in 2025, having completed one of the most significant safety turnarounds in the MiddleGround portfolio. At acquisition, the Company's TRIR of 8.13 was well above the 5.8 BLS Other Concrete Product Manufacturing (2021) industry average benchmark. By exit, it had been reduced to 3.67, the strongest year-end TRIR under MiddleGround's ownership. Anchoring this improvement was the deployment of SafetyAMP, a digital safety management platform that standardized incident reporting, near-miss tracking, equipment inspections, and LOTO auditing across all locations, driving an 85% increase in near-miss reporting in its first year. The Company further strengthened its safety program through Level-Up Safety Assessments and comprehensive LOTO and machine guarding audits at all facilities, front-line leader safety training, and designated weekly safety walkthroughs.

With annual turnover at 71.5% and an average hourly wage of $24.36 at acquisition, workforce investment and stability was a key priority identified for Lindsay Precast. The Company moved quickly, beginning with a company-wide wage increase of approximately $3/hr in 2022 and continuing a phased approach to wage investment that drove average hourly wages to $34.00 at exit, a 39.6% increase over the hold period. These investments, alongside improving benefits and working conditions, reduced annual turnover to 39.8% at exit, the strongest year-end rate achieved under MiddleGround's ownership. The Company also established its first formal employee engagement program, conducting its first survey in 2023 at 35% participation before more than doubling that figure to 78% in 2024 by dedicating work-hour time to completion and deploying QR code-based access across all locations. Survey results were shared with local operations and used to inform management action plans and town halls across all sites. Beyond compensation and engagement, the Company made meaningful strides on workforce diversity, with female representation growing from 7.0% to 10.9% and racial diversity increasing from 30.0% to 34.9% over the hold period.

Lindsay Precast's environmental program was defined by a flagship initiative uniquely suited to its business: the adoption of CarbonCure technology, which permanently mineralizes captured CO2 into concrete during mixing while simultaneously reducing cement content. Beginning with a single installation at the Ohio facility at acquisition, the program expanded steadily across locations, and by mid-year 2025, 39.1% of total yards poured across all Lindsay Precast facilities were batched with CarbonCure. Alongside CarbonCure, the Company built an ISO 14001 certification program during the hold period, achieving certification at three facilities, with a path identified for remaining locations that MiddleGround will not oversee following the 2025 exit. Additional initiatives included energy audits, LED lighting upgrades, a wood recycling partnership repurposing waste materials into playground equipment, and the rollout of scrap tracking to inform reduction efforts, together establishing a sustainability infrastructure in place at the time of exit.

DISCLOSURES

Lindsay Precast was a MiddleGround Capital portfolio company from acquisition until its exit in Q4 2025. All metrics referenced above reflect the period of MiddleGround's ownership and were reported by Lindsay Precast to MiddleGround Capital; they have not been independently verified, other than ISO 14001 certifications, which involve third-party audit. All 2025 data points included in this story (TRIR of 3.67, average hourly wage of $34.00, annual turnover of 39.8%, and CarbonCure utilization of 39.1%) reflect figures reported during the period of Midd ownership, prior to exit. Baseline years vary by metric (2021 for turnover, TRIR, wages, and diversity; 2022 for energy and water intensity) based on when MiddleGround began tracking each respective data point at Lindsay Precast. MiddleGround makes no representation regarding the continuation of these programs, certifications, or performance trends under the company's current ownership. These figures reflect the experience of one former portfolio company and are not representative of outcomes across MiddleGround's current portfolio. These figures are not a representation of investment performance, fund returns, or outcomes at any portfolio company, and are not a guarantee of future results.



Retention was a real challenge for us before our partnership with MiddleGround, but we knew that turning it around started with respect: prioritizing safety on our floors and paying our people what they're worth. We raised wages nearly 40% over our time together, and turnover dropped by almost half as a result. That's not a number on a page to us; it's the difference between a workforce that's stable and one that isn't.

Ron Lindsay
CEO, Lindsay Precast, a Former MiddleGround Capital Portfolio Company

DISCLOSURE

Lindsay Precast was acquired by MiddleGround Capital in November 2021 and subsequently sold in 2025. This statement was made in the context of MiddleGround's ownership of Lindsay Precast. Ron Lindsay was not compensated by MiddleGround Capital for providing this statement. This experience is specific to Lindsay Precast and is not representative of the experience of all portfolio companies owned or managed by MiddleGround Capital. Outcomes vary across portfolio companies based on a range of factors including industry, market conditions, management team, and the specific circumstances of each investment.

ARROW
MOVING FORWARD

QUICK FACTS
INVESTMENT DATE: September 2021
SECTOR: Building Products
HEADQUARTERS: Archbold, OH
FOOTPRINT: 6 Facilities Across U.S. & Canada
FUND: Fund I





Arrow Tru-Line exited MiddleGround's portfolio in 2025 with one of the strongest safety records in the company's history. At exit, the Company's LTM TRIR was 2.24, a 62% reduction from the LTM TRIR of 5.85 at acquisition. This performance reflected a multi-year investment in behavioral safety culture, including moving from a renewal-based process to annual forklift operator retraining, establishing video-based training customized to manufacturing floor hazards, implementing a real-time CI and safety action item tracking system accessible to all employees, and doubling the frequency of management safety walks. In response to a pattern of laceration injuries, the Company completely replaced steel banding with plastic banding and, following a specific incident, designed and built a new stamping press die in-house, eliminating the responsible operation entirely. Together, these actions exemplified a broader cultural shift from reactive safety management to proactive injury prevention.

Amid the volatile post-COVID labor market, reducing turnover was a priority identified for Arrow Tru-Line upon acquisition. One of the first key initiatives implemented was increasing the minimum wage to $15/hr and developing a plan for increasing starting wages and off-shift premiums, resulting in a 50% increase in applicant flow following the initial wage adjustments, based on company-reported figures. By executing its plan to increase wages over MiddleGround's ownership, the Company increased its average hourly wage by 18.6% from year-end 2021 to exit. In addition to increasing wages, the Company took meaningful measures to improve overall employee satisfaction, conducting its first employee engagement survey in 2022 with subsequent annual surveys. Initiatives derived from employee feedback included establishing a manufacturing bonus program, launching Supervisor Monthly Roundtables with HR, introducing an Employee Recognition Program, and forming an Employee Appreciation Committee tasked with engaging the workforce through company events. Alongside continuous investment in their workforce, Arrow Tru-Line achieved an LTM Turnover rate of 12.9% at exit.

Throughout MiddleGround's ownership, Arrow Tru-Line established an environmental program built on initiatives that paired measurable impact with tangible cost savings. A standout achievement for the Company came with the renegotiation of electricity contracts at their Archbold, OH location, securing an estimated $240,000 in savings over the 36-month contract term (approximately $80,000 per year), while simultaneously transitioning the facility to 100% renewable electricity supply through Renewable Energy Certificates (RECs). Beyond energy management, Arrow Tru-Line took a programmatic approach to waste reduction, installing a trash compactor, optimizing waste pickup scheduling, implementing pallet recycling, and establishing cardboard and plastic banding procedures. Over a six-quarter period (January 2023 through June 2024), the Company reduced its average monthly landfill waste by 17%. At acquisition, Arrow Tru-Line initiated a multi-year ISO 14001 certification program, beginning with gap analysis and progressing through procedural development, employee training, legal compliance review, and establishing an internal auditing procedure. By exit, both the Archbold and Bryan facilities were certified.

DISCLOSURES

Arrow Tru-Line was a MiddleGround Capital portfolio company from acquisition until its exit in 2025 (approximately Q2 2025, based on the reporting periods above). Metrics referenced above reflect the period of MiddleGround's ownership and were reported by Arrow Tru-Line to MiddleGround Capital; they have not been independently verified, other than ISO 14001 certifications, which involve third-party audit. MiddleGround makes no representation regarding the continuation of these programs or performance trends under the company's current ownership. These figures reflect the experience of one former portfolio company and are not representative of outcomes across MiddleGround's current portfolio. These figures are not a representation of investment performance, fund returns, or outcomes at any portfolio company, and are not a guarantee of future results.

Applicant flow: The 50% increase in applicant flow following the initial wage adjustments is based on figures reported by Arrow Tru-Line to MiddleGround Capital and has not been independently verified. The specific measurement methodology (for example, applications received, qualified candidates, or another measure) and the exact comparison window are based on Arrow Tru-Line's internal reporting; this figure should be treated as a qualitative directional indicator.

Electricity savings and renewable transition: The estimated 40,000 in savings referenced above is an estimate reported by Arrow Tru-Line to MiddleGround Capital over the approximately 36-month (April 2023 – April 2026) fixed-rate electricity supply contract at the Archbold, OH facility with Aggressive Energy, LLC, annualizing to approximately 0,000 per year; it has not been independently verified. The 100% renewable electricity transition at the Archbold, OH facility was secured through Renewable Energy Certificates (RECs) under the Aggressive Energy Renewable Energy Product, which is Green-e Energy certified, and refers exclusively to electricity supply at that facility; it does not reflect all energy sources consumed at the facility, including natural gas or other fuels.

Landfill waste reduction: The 17% average monthly landfill waste reduction is measured over the six-quarter period January 2023 through June 2024, as referenced in Arrow Tru-Line's Q3 2024 Board of Directors presentation. This figure is based on company-reported data and has not been independently verified.



> Cutting our incident rate by more than 60% didn't come from any single fix. It came from a culture shift, catching risks earlier, redesigning around problems before they grew, and training our people more consistently. Having MGC's support along the way made that shift easier to sustain, and it's a shift we plan to keep building on.

Tom Brockley
President and CEO, Arrow Tru-Line, a Former MiddleGround Capital Portfolio Company

DISCLOSURE

Arrow Tru-Line was acquired by MiddleGround Capital in September 2021 and subsequently sold in 2025. This statement was made in the context of MiddleGround's ownership of Arrow Tru-Line. Tom Brockley was not compensated by MiddleGround Capital for providing this statement. This experience is specific to Arrow Tru-Line and is not representative of the experience of all portfolio companies owned or managed by MiddleGround Capital. Outcomes vary across portfolio companies based on a range of factors including industry, market conditions, management team, and the specific circumstances of each investment.

vytl CONTROLS GROUP™

QUICK FACTS
INVESTMENT DATE: July 2022
SECTOR: Flow Control Distribution
HEADQUARTERS: The Woodlands, TX
FOOTPRINT: 37 Facilities Across North America, Europe & Asia
FUND: Fund II



Vytl Controls Group maintained safety performance 3-5x better than the industrial services industry average throughout MiddleGround's ownership. The Company's 2022 TRIR was 0.7 against a BLS Fabricated Metal Product Manufacturing industry average of 2.4 for 2022, and the Company had achieved a YTD TRIR of 0.53 by Q3 2025. Beneath the portfolio-level metrics were standout individual milestones: Setpoint Integrated Solutions recorded 5 million consecutive work hours without a lost-time incident and, by February 8th 2025, had completed two consecutive years without a single OSHA recordable. In 2024, 27 of Vytl's 30 locations recorded zero OSHA recordables across all business units. This performance was supported by the adoption of Intelex for company-wide incident tracking and corrective action management, OSHA compliance and Level-Up Safety Assessments at all locations, EnSafe LOTO and machine guarding audits, and the deployment of safety metrics boards at each facility. By exit, the Company had established a supervisor and HSE Champion development program, building the leadership infrastructure in place at the time of exit.

MiddleGround's ownership saw Vytl Controls Group build an ISO 14001 environmental management program entirely from scratch. Beginning with a pre-assessment in 2023, the program advanced to Stage 1 certification later that year and reached seven certified locations by exit. Alongside the certification program, the Company established its Green Team, a cross-location initiative that generated over $29,000 in documented environmental cost savings, including a reduction in natural gas usage through boiler efficiency upgrades, elimination of new cardboard box purchasing, and a 40% reduction in roll-off dumpster usage through the introduction of a crusher. Green Team efforts also reused 17.5 tons of packing material in 2024, generating a 36.23 tCO2e reduction in the Company's carbon footprint. By exit, Vytl Controls Group had implemented smart thermostats and demand-management controls at multiple locations as part of a broader energy efficiency and decarbonization plan.

At the start of MiddleGround's ownership, approximately 70% of Vytl's roughly 1,200 employees earned above $25 per hour or the international equivalent. Through annual merit increases, market-aligned compensation bands, and a company-wide Job Title Alignment completed in February 2025 prior to exit, that figure reached 86% as of Q3 2025, representing meaningful progress across a large and geographically dispersed workforce.

The Company made significant strides in employee engagement: Vytl Controls Group achieved 42% participation in its company-wide survey in 2023, increasing to 72% in 2024, and reaching 76% in June 2025, prior to exit. In response to common feedback from employees and to support long-term retention, Vytl Controls Group created two new roles dedicated to supporting career development: Employee Experience Manager and Talent Development Manager. The Company also launched its Employee Integration Program, standardized benefits across all divisions including parental leave, and implemented a unified HRIS platform across all business units. Alongside these efforts, Vytl Controls Group maintained a turnover rate well below the BLS General Manufacturing benchmark of 32.46% for the entire investment lifecycle, with annual total turnover of approximately 16–17% in both 2023 and 2024, and a trailing figure of approximately 15% at exit.

DISCLOSURES

Vytl Controls Group (formerly PVI Holdings) was a MiddleGround Capital portfolio company from acquisition until its exit in January 2026. The Company's exit occurred prior to the close of the Q4 2025 reporting window; accordingly, metrics stated "at exit" or "as of exit" reflect Q3 2025 as the last complete reporting period for which data was available. Metrics referenced above reflect the period of MiddleGround's ownership and were reported by Vytl Controls Group to MiddleGround Capital; they have not been independently verified, other than ISO 14001 certifications, which involve third-party audit. MiddleGround makes no representation regarding the continuation of these programs or performance trends under the company's current ownership. These figures reflect the experience of one former portfolio company and are not representative of outcomes across MiddleGround's current portfolio. These figures are not a representation of investment performance, fund returns, or outcomes at any other portfolio company, and are not a guarantee of future results.

1. Safety benchmark: The TRIR industry benchmark of 2.4 is sourced from the U.S. Bureau of Labor Statistics Survey of Occupational Injuries and Illnesses (2023 data), NAICS 332 (Fabricated Metal Product Manufacturing). This is the benchmark used by Vytl Controls Group and MiddleGround throughout the hold period for performance tracking. Readers should note that NAICS 332 may not fully capture all of Vytl's service activities; the BLS benchmark referenced in 2025 committee reporting is 3.20 (reflecting updated BLS data). Full-year TRIR by year: 2022 (entry): 0.70; 2023: 0.64; 2024: 0.28; Q3 2025 YTD: 0.53.

2. Setpoint 5 million hours: The 5-million-consecutive-work-hours milestone without a lost-time incident was achieved by Setpoint Integrated Solutions on February 8th, 2025, per ESG Committee records. The start date of the 5-million-hour window has not been independently confirmed; accordingly, the story references the achievement date only, which falls within MiddleGround's ownership period.

3. Location count: Vytl's total location count of 30 is as of the year-end location count reported by Vytl Controls Group. The 27-location zero-recordable breakdown for 2024 was confirmed in ESG Committee records: two ATC, 12 SIS, two Valsource, one VCG Corp, eight W&O, and all field service groups (East, West, and VS).

4. Green Team savings: The $29,000+ figure reflects realized annual environmental cost savings from 2023 ISO 14001-certified sites, comprising: Lake Charles thermostat controls ($12,713.75), Lake Charles natural gas reduction ($3,700.23), Port Allen cardboard elimination ($2,735.00), and Richwood dumpster reduction via crusher ($14,100.00); total documented: $33,248.98. The story uses the conservative $29,000+ figure. This is an annual, not cumulative multi-year, figure. The Lake Charles natural gas reduction is confirmed from ESG Committee records.

5. Smart thermostats: ESG Committee records from Q3 2025 confirm that multiple Vytl Controls Group locations had implemented smart thermostats and demand-management controls reflecting available documentation.

6. Wage methodology (international equivalent of $25/hr): The international equivalent is calculated using Willis Towers Watson benchmark salary data (2022 base year) with country-specific average inflation rates (10-year averages, 2012–2022) projected to 2025, accounting for variables including industry classification, job title, years of experience, and pay scale percentile. Variable pay, discretionary pay, and benefits are excluded. The 70% baseline reflects the approximate share of employees earning above the threshold at acquisition; the 86% figure is as of Q3 2025, the last complete reporting period prior to exit.

7. Turnover benchmark: The 32.46% benchmark is sourced from the U.S. Bureau of Labor Statistics Job Openings and Labor Turnover Survey (JOLTS), General Manufacturing sector. Vytl's annual total turnover figures (approximately 16–17% in 2023 and 2024, and approximately 15% YTD at exit per Q3 2025 data) are as reported to MiddleGround Capital by Vytl Controls Groupmanagement and reflect total separations (voluntary and involuntary) as a percentage of average headcount.



06

Metrics Review

- Environmental Metrics
- Social Metrics
- Governance Metrics



Environmental Metrics

Company		Energy Intensity		Water Intensity		Carbon Footprint (Scope 1 & 2)		ISO 14001 Certification	
Fund I	Company A	0.156	▶↓	0.034	▼↑	3612	▶↑	67%	▶
	Company B	0.087	▼↑	0.037	▲↑	12757	▼↓	100%	▶
	Company C1	0.212	▶↓	0.059	▶↓	52477	▶↓	100%	▶
	Company D	0.057	▲↑	0.095	▲↓	14548	▼↓	0%	▶
	Company E1	0.325	▶↓	0.093	▲↓	62246	▼↓	100%	▶
	Company F1	0.184	▲↓	0.063	▲↓	6002	▲↑	75%	▶
Fund II	Company G	0.069	▲↑	0.016	▲↑	8584	▶↑	0%	▶
	Company H1	0.043	▲↑	0.003	▲↑	507	▲↑	0%	▶
	Company I	0.01	▲↑	0	▶↑	184	▼↑	0%	▶
	Company J	0.021	▲↑	0.013	▲↑	3438	▶↑	100%	▶
	Company K	0.106	▲↑	0.038	▲↑	433	▲↑	0%	▶
	Company L1	0.085	▼↑	0.024	▼↑	244	▼↑	0%	▶
	Company M1	0.07	▼↑	0.026	▼↑	323	▲↑	100%	▲
	Company N1	0.002	▼↑	0.002	▲↑	170	▼↑	100%	▶
Fund III	Company O	0.103	▶↑	0.082	▶↓	6252	▼↑	20%	▲
	Company P	0.009	▼↑	0.004	▶↑	223	▲↑	0%	▶
Carbon CV	Company Q	0.023	▶↑	0.006	▶↑	12501	▲↓	0%	▶

Graph Key	
▲	Improvement
▼	Decline
▶	No Change
○	No Prev Data
↑	Exceeds Benchmark
→	Meets Benchmark
↓	Doesn't Meet Benchmark
○	No Prev Data

Social Metrics

Company		Total Recordable Injury Rate		Turnover		Gender Diversity		Racial Diversity		Employees <$15/hr		Employees <$25/hr		CEO to Median Pay	
Fund I	Company A	2.33	▲↑	32.57%	▲↓	17.86%	▼↓	18.41%	▶↓	0	▶	192	▶	6.52	▼↑
	Company B	2.75	▼↑	30.60%	▲→	26.25%	▶↓	40.68%	▼↑	0	▶	89	▲	6.6	▼↑
	Company C1	1.1	▲↑	38.57%	▼↓	28.18%	▶→	33.33%	▶↑	0	▶	869	▲	31	▼↓
	Company D	7.37	▼↓	80.77%	▼↓	10.53%	▼↓	50.86%	▲↑	0	▶	113	▼	9.86	▼↑
	Company E1	1.49	▲↑	26.70%	▲↑	24.50%	▼↓	49.47%	▲↑	0	▲	1651	▼	19.33	▶↓
	Company F1	0.32	▲↑	77.00%	▲↓	44.49%	▲↑	45.88%	▲↑	0	▶	28	▲	12.6	▼↓
Fund II	Company G	0.8	▲↑	26.20%	▼↑	20.35%	▶↓	29.00%	▲↑	0	▶	302	▲	13.38	▼↓
	Company H1	1.21	▼↓	46.51%	▼↑	15.15%	▼↓	7.14%	▼↓	0	▶	0	▶	3.18	▲↑
	Company I	3.15	▼↓	40.16%	▼↓	11.97%	▼↓	24.32%	▲↑	0	▶	34	▲	5.67	▼↑
	Company J	0.24	▲↑	23.70%	▲↑	16.26%	▶→	21.25%	▶↓	0	▶	116	▲	6.4	▲↑
	Company K	9.32	▲↓	25.64%	▼↑	19.87%	▲↓	85.37%	▶↑	0	▶	40	▲	7.09	▶↑
	Company L1	0.5	▲↑	14.70%	▶↑	10.97%	▲↓	N/A	○	0	▲	83	▼	8.69	▼↑
	Company M1	0	▶↑	56.00%	▼↓	17.31%	▶↑	N/A	○	0	▶	3	▼	4.38	▶↑
	Company N1	0.77	▼↑	73.84%	▼↓	11.75%	▼→	98.88%	▶↑	0	▶	125	▶	5.5	▲↑
Fund III	Company O	2.77	▼↑	23.98%	▼↑	23.26%	▶↓	8.99%	▶↓	0	▲	346	▲	23.83	▼↓
	Company P	0	▲↑	20.00%	▼↑	29.00%	▶↓	N/A	○	0	▶	18	▲	6.72	○↑
Carbon CV	Company Q	1.9	▶↑	34.91%	▼↑	24.33%	▶↑	39.04%	▶↑	0	▶	218	▲	25.41	▼↓

Governance Metrics

Company		Board Committees		Independent Board Members		Corporate Policies		Board Diversity Race & Gender	
Fund I	Company A	100%	▶	2	▶→	100%	▶	0%	▼↓
	Company B	100%	▶	3	▲↑	100%	▶	22%	▼↑
	Company C1	100%	▶	2	▶→	100%	▶	0%	▼↓
	Company D	100%	▶	2	▶→	100%	▶	0%	▼↓
	Company E1	100%	▶	4	▶↑	100%	▶	10%	▲↓
	Company F1	100%	▶	2	▶→	100%	▲	14%	▼↓
Fund II	Company G	100%	▶	2	▶→	100%	▶	0%	▼↓
	Company H1	100%	▶	4	▶↑	100%	▶	11%	▼↓
	Company I	100%	▶	2	▶→	100%	▶	43%	▲↑
	Company J	100%	▶	2	▶→	100%	▶	0%	▼↓
	Company K	100%	▶	2	▶→	100%	▶	33%	▼↑
	Company L1	67%	▶	2	▶→	100%	▶	0%	▶↓
	Company M1	33%	▶	2	▶→	100%	▲	0%	▶↓
	Company N1	100%	▲	2	▲→	100%	▶	25%	▲↑
Fund III	Company O	100%	▲	2	▶→	100%	▶	14%	▲↓
	Company P	33%	▶	1	▶↓	100%	▲	0%	▶↓
Carbon CV	Company Q	100%	▶	2	▶→	100%	▶	29%	▼↑

07

In Closing

- Staying the Course
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Staying the Course

Heading into 2026, our focus is less about new commitments and more about doing the existing work better.

Over the past several years, we've added rigor to tracking sustainability with the same seriousness we apply to any other part of the business: dashboards, monthly KPI reporting, and structured target-setting built into how our portfolio companies operate. The more precisely we can measure something, the more confidently we can act on it.

That's the model we intend to keep building on in 2026. As SFDR 2.0 moves through the EU legislative process, we're mapping our fund strategies against the proposed framework. Our decarbonization work with Gravity Climate expanded to more portfolio companies this year, and we expect that to keep growing, alongside seeing through the projects already identified at the facility level. The safety programs we've built out across the portfolio aren't finished either; we intend to keep pushing them further.

We've never believed sustainability has to be separated from how a business actually runs. When it's grounded in the same data discipline we apply to every other part of the business, it stops being a separate initiative and becomes part of how these companies operate, every day, at every level.





Disclosures

All specific material risks of investment

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