

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

FORM 10-K

(Mark One)

- Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025
- Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
FOR THE TRANSITION PERIOD FROM ___ TO ___

Commission File No. 1-16263

MARINE PRODUCTS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

58-2572419
(I.R.S. Employer Identification No.)

2801 BUFORD HIGHWAY NE, SUITE 300
ATLANTA, GEORGIA 30329
(404) 321-7910

(Address of principal executive offices and registrant's telephone number)

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

<i>Title of each class</i>	<i>Trading Symbol</i>	<i>Name of each exchange on which registered</i>
COMMON STOCK, \$0.10 PAR VALUE	MPX	NEW YORK STOCK EXCHANGE

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

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

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

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

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

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

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

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

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

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

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

The aggregate market value of Marine Products Corporation common stock held by non-affiliates on June 30, 2025, the last business day of the registrant's most recent second fiscal quarter, was \$71,397,395 based on the closing price on the New York Stock Exchange on June 30, 2025 of \$8.51 per share.

Marine Products Corporation had 35,242,624 shares of common stock outstanding as of February 13, 2026.

Documents Incorporated by Reference

Marine Products Corporation

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PART I

References in this document to "we," "our," "us," "Marine Products," or "the Company" mean Marine Products Corporation ("MPC") and its subsidiaries, Chaparral Boats, Inc. ("Chaparral") and Robalo Boats, LLC ("Robalo"), collectively or individually, except where the context indicates otherwise.

Forward-Looking Statements

Certain statements made in this report that are not historical facts are "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may include, without limitation, statements regarding:

- the potential impact of the announcement and pendency of the Mergers (as defined below) on us, including our relationships with suppliers, dealers and employees, the time and resources dedicated to the completion of the Mergers and our inability to pursue alternative business opportunities or make appropriate changes to our business because of the Merger Agreement (as defined below);
- uncertainties as to the expected timing and completion of the Mergers, including the possibility that the Merger Agreement will be terminated, including under circumstances which may require us to pay a termination fee, and that various closing conditions for the transactions may not be satisfied or waived and that our stock price will be adversely impacted in the event the Mergers are not consummated;
- Our belief that any sustained decrease in interest rates could be another catalyst for dealers and consumers to increase spending.
- Our focus on reducing costs and aligning production to the expected demand level.
- Our belief that we have adjusted production levels to more closely align with expected demand costs.
- Our belief that our financial results generally depend on a number of factors, including economic trends, demand for discretionary products, the impact of interest rates on consumer financing options and dealer inventory carrying costs, the effectiveness of the Company's incentive programs, the success of new model launches, and the Company's ability to manage manufacturing costs.
- Our expectation to incur substantial costs in connection with the Mergers.
- Our belief that our channel inventory is currently at an appropriate level given demand expectations.
- Our belief that it may take further interest rate relief to drive increased consumer appetite for new boat purchases.
- Our belief that the impact of tariffs on prices of imported manufacturing materials and components could contribute to inflation and limit further interest rate reductions as well as other expectations regarding the impact of tariffs.
- Our active monitoring of dealer inventories and order patterns for changes in demand and adjustment of production levels accordingly.
- Our belief that dealer inventories of our boat models as of December 31, 2025 are sufficient to meet the current level of retail customer demand.
- Our representation that we adjust production schedules as needed to keep our cost structure and labor expenses optimized given the prevailing economic and demand conditions.
- Our belief that MasterCraft will be a great steward of the combined business and an enthusiastic partner to our exceptional dealers and suppliers.
- Our belief that, if the Mergers are not completed during 2026, capital expenditures during 2026 will be approximately \$1 million to \$5 million, of which a portion is expected to be made prior to the completion of the Mergers.

- Our expectation that our existing cash balances together with cash generated from operations will be sufficient to fund the costs of the Mergers.
- Our expectation, subject to industry conditions and Marine Products' earnings, financial condition, and other relevant factors, to continue to pay regular quarterly cash dividends to common stockholders until closing of the Mergers.
- Our belief that the liquidity provided by existing cash, cash equivalents, our overall strong capitalization and cash generated by operations will be sufficient to meet the Company's requirements for at least the next twelve months.
- Our belief that, except for the Chaparral and Robalo trademarks, we are not dependent upon any single trademark or trade name or group of trademarks or trade names
- With respect to our floor plan financing, our monitoring of the risk of additional defaults and resulting repurchase obligations based primarily upon information provided by the third-party floor plan lenders and adjusting of the guarantee liability at the end of each reporting period based on information reasonably available at that time.
- The Company's belief that, as of December 31, 2025, the fair value of its guarantee liability is immaterial.
- Our belief that the litigation in which we are involved from time to time in the ordinary course of our business will not have a material adverse effect on our liquidity, financial condition or results of operations.
- The Company's belief that the cost of boat ownership has risen enough to impact retail demand and its belief that it may be more difficult to raise prices in the future to compensate for increased costs of raw materials and components, which could impact the Company's sales and profit margins.
- The Company's belief that it maintains all requisite licenses and permits and is in compliance with all applicable federal, state and local regulations.
- The Company's estimate of the amount and timing of future contractual obligations; the Company's judgments and estimates with respect to its critical accounting policies and estimates.
- The Company's expectation about the impact of new accounting pronouncements on the Company's consolidated financial statements.
- The Company's expectation regarding market risk of its cash investments, including its intention to invest primarily in money market funds, that such funds are not subject to material interest rate risk, and that it does not expect material changes to its market risk exposures or how those risks are managed.
- And the Company's key human capital management objectives.

The words "may," "should," "will," "expect," "believe," "anticipate," "intend," "plan," "seek," "project," "estimate," "aim," "continue," "continually," "could," "likely," "design," "strategies," "outlook," "trend," the negative of such terms and different forms thereof (e.g., different tenses or number or principle parts, as well as gerunds and other parts of speech such as adjectives, adverbs and nouns derived therefrom), and similar expressions used in this document that do not relate to historical facts are intended to identify forward-looking statements. Forward-looking statements also include any other statement that projects, indicates or implies future results, events, performance or achievements, and statements concerning future financial performance (including future sales, earnings or growth rates), descriptions of our ongoing business strategies or prospects (including but not limited to those set forth under "Management's Discussion and Analysis of Financial Condition and Results of Operations — Outlook" and "Business — Strategy"), and possible actions to be taken by us or our subsidiaries, as well as statements and descriptions of the assumptions that underlie or relate to such statements. Our forward-looking statements are based on certain assumptions and analyses made by our management in light of its experience and its perception of historical trends, current conditions, expected future developments and other factors it believes to be appropriate. We caution you that such statements are only predictions and not guarantees of future performance and that actual results, developments and business decisions may differ from those envisioned by the forward-looking statements. We do not undertake to update these forward-looking statements except to the extent required by law.

Risk factors that could cause such future events not to occur as expected include the following:

- changes in global and/or national economic conditions;
- availability of credit and possible decreases in the level of consumer confidence impacting discretionary spending;
- our reliance on third-party dealer floor plan lenders;
- business interruptions due to adverse weather conditions;
- increased interest rates and fuel prices;
- unanticipated changes in consumer demand and preferences;
- our dependence on our independent boat dealers or availability of financing of their inventory;
- our single operational location;
- our ability to insulate financial results against increasing commodity prices;
- the impact of disruptions in current supplier relationships;
- our ability to purchase construction materials in sufficient quantities and quality;
- our ability to identify, complete or successfully integrate acquisitions or strategic alliances;
- changing expectations from customers, investors and other stakeholders regarding ESG practices;
- competition from other boat manufacturers and dealers;
- our potential liability for personal injury and property damage claims;
- our ability to comply with environmental and other regulatory requirements;
- our dependence on our key personnel and the loss or interruption of the services of such personnel;
- risks related to cyber-attacks or other threats, as our operations are dependent on digital technologies and services;
- risks related to artificial intelligence;
- cybersecurity risks;
- unanticipated disruptions to and constraints in supply chain for key components, and fluctuations in costs of key components such as engines, resins and fiberglass;
- unanticipated changes or disruptions in our supply of engines from key vendors, including Volvo, Yamaha and/or Mercury Marine.
- our stockholders cannot be sure of the market value of the stock consideration they will receive in exchange for their shares in connection with the Mergers;
- the failure to complete the Mergers or a delay in the completion of the Mergers;
- uncertainties with the Mergers may cause a loss of key employees of the Company or MasterCraft (as defined below);

- current holders of our common stock will have significantly reduced ownership and voting interests in the combined company after the Mergers and will therefore have less voting influence over the combined company;
- litigation against us or MasterCraft, or members of our or MasterCraft's board of directors, could prevent or delay the completion of the Mergers;
- the Merger Agreement limits our ability to pursue alternatives to the Mergers and may discourage other companies from trying to acquire us;
- the need for regulatory approvals may delay the date of completion of the Mergers or may diminish the benefits of the Mergers;
- if the Mergers are consummated, the combined company may not perform as we or the market expects and may fail to realize the projected benefits and cost savings of the Mergers, which could adversely affect the value of MasterCraft common stock, which our current stockholders will own following the completion of the Mergers; and
- if the Mergers were to fail to qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (as defined below), the Company's stockholders may be required to pay additional U.S. federal income taxes.

We caution you that such statements are only predictions and not guarantees of future performance and that actual results, developments and business decisions may differ from those envisioned by the forward-looking statements. See section titled "Risk Factors" included in our Annual Report Form 10-K for a discussion of these and additional factors that may cause actual results to differ from our projections and plans.

Item 1. Business

Marine Products manufactures fiberglass motorized boats distributed and marketed through its independent dealer network. Marine Products' product offerings include Chaparral sterndrive and outboard sport boats and Robalo outboard sport fishing boats.

Organization & Overview

Marine Products is a Delaware corporation incorporated on August 31, 2000, in connection with a spin-off from RPC, Inc. (NYSE: RES) ("RPC"). Effective February 28, 2001, RPC accomplished the spin-off by contributing 100% of the issued and outstanding stock of Chaparral to Marine Products, a newly formed, wholly owned subsidiary of RPC, and then distributing the common stock of Marine Products to RPC stockholders.

Marine Products designs, manufactures and sells recreational fiberglass powerboats in the pleasure boat and sport fishing boat markets. The Company sells its products to a network of 192 domestic and 84 international independent authorized dealers. Marine Products' mission is to enhance its customers' boating experience by providing them with high quality, innovative powerboats. The Company's two brands are Chaparral (sport boats) and Robalo (fishing boats):

Chaparral was founded in 1965 in Ft. Lauderdale, Florida. In 1976, Chaparral moved its operations to a Nashville, Georgia manufacturing site, which had been the previous location of another boat producer. This move provided the business an opportunity to expand manufacturing space and access to a trained workforce, and set the stage for decades of innovation, growth and industry leadership. In 1986, RPC acquired Chaparral.

Robalo was founded in 1969 and was acquired by Marine Products in 2001, in conjunction with the spin-off from RPC as referenced above. At the time of the acquisition, Robalo was a struggling brand, which Marine Products has since grown to a leading fishing boat manufacturer.

Proposed Mergers with MasterCraft

On February 5, 2026, we entered into an Agreement and Plan of Merger (the "Merger Agreement") by and among MasterCraft Boat Holdings, Inc., a Delaware corporation ("MasterCraft"), Titan Merger Sub 1, Inc., a Delaware corporation and a wholly owned,

direct subsidiary of MasterCraft ("Merger Sub I"), and Titan Merger Sub 2, LLC, a Delaware limited liability company and a wholly owned, direct subsidiary of MasterCraft ("Merger Sub II"). The Merger Agreement, among other things, provides for the combination of MasterCraft and Marine Products in a stock-and-cash transaction whereby (i) Merger Sub I will merge with and into Marine Products (the "First Merger"), with Marine Products surviving the First Merger as a direct wholly owned subsidiary of MasterCraft, and (ii) immediately following the First Merger, Marine Products will merge into Merger Sub II (the "Second Merger" and, together with the First Merger, the "Mergers"), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of MasterCraft.

Under the terms and subject to the conditions set forth in the Merger Agreement, at the effective time of the First Merger (the "First Effective Time"), each share of Marine Products common stock, par value \$0.10 per share, will be converted into the right to receive 0.232 shares (the "Stock Consideration") of MasterCraft common stock and \$2.43 in cash, without interest (the "Cash Consideration" and, together with the Stock Consideration, the "Merger Consideration").

The completion of the Mergers is subject to customary closing conditions, including, but not limited to: (i) the approval of the Merger Agreement by the affirmative vote of the holders of a majority in voting power of the outstanding Marine Products common stock entitled to vote thereon, (ii) the approval of the issuance of shares of MasterCraft common stock to be issued in the First Merger by the affirmative vote of the holders of a majority in voting power of the outstanding MasterCraft common stock present in person or by proxy and entitled to vote thereon at a meeting of MasterCraft stockholders, (iii) the absence of any injunction or order by any court or other governmental entity restraining, enjoining, preventing or otherwise prohibiting the consummation of the Mergers, (iv) the shares of MasterCraft common stock to be issued in the First Merger being approved for listing on the Nasdaq, (v) the effectiveness of the registration statement on Form S-4 pursuant to which the shares of MasterCraft common stock to be issued in the First Merger will be registered with the U.S. Securities and Exchange Commission (the "SEC"), (vi) the expiration or termination of the waiting period (and any extension thereof) required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act"), and (vii) the absence of a material adverse effect with respect to each of MasterCraft and Marine Products.

Further information regarding the Mergers is provided in our Current Report on Form 8-K filed with the SEC on February 5, 2026. See also *Item 1A. Risk Factors* for a discussion of risks related to the Mergers.

Products

Marine Products distinguishes itself by offering a wide range of products to the family recreational markets through its Chaparral brands and to the sport fishing market through its Robalo brands.

The following table provides a brief description of our product lines and their particular market focus:

Product Line	Number of Models	Overall Length	Approximate Retail Price Range	Description
Chaparral – SSi Sport Boats	8	19'-23'	\$49,000 - \$107,000	Fiberglass sterndrive and outboard powered sport boats marketed as high value runabouts. Design features include handling of a runabout, style of a sport boat and open concept layout. Select models offer Ski & Fish options to meet specific needs. All marketed with national fixed retail prices.
Chaparral – SSX Sport Boats	6	24'-30'	\$136,000 - \$365,000	Fiberglass sterndrive and outboard powered models that combine features of sport boats and bowriders. Marketed as high value, luxury runabouts for family groups.
Chaparral – GTS - SURF (Formerly Surf Series)	5	21'-30'	\$80,000 - \$375,500	This model line features a forward-facing sterndrive engine. Fiberglass multipurpose bowriders, the Surf Series models are marketed to both experienced and value-conscious buyers. These boats are designed to enhance the wake of the boat to accommodate the popular sport of wake surfing.
Chaparral – OSX Sport Boats	4	26'-32'	\$148,500 - \$507,500	Fiberglass, multipurpose sport boats with outboard power featuring plentiful seating and entertaining areas, cabin and bathroom accommodations, excellent performance, and luxury finishes.
Robalo – Center Consoles	12	16'-36'	\$36,000 - \$724,000	Fiberglass outboard sport fishing boats for large freshwater lakes or saltwater use. Marketed to experienced fishermen seeking family-friendly amenities. Smaller models include a trailer, and all models are marketed with national fixed retail prices. The Explorer series features extra seating options.
Robalo – Cayman Bay Boats	6	20'-26'	\$57,500 - \$245,500	Fiberglass outboard powered sport fishing boats for large freshwater lakes or coastal saltwater use. Marketed to experienced fishermen wanting inshore and offshore capabilities. All models marketed with a trailer at national fixed retail prices.
Robalo – Dual Consoles	4	20'-31'	\$64,500 - \$411,500	Multi-purpose fiberglass outboard powered sport fishing boats for large freshwater lakes or saltwater use. Marketed with national fixed retail prices to experienced fishermen and families looking for both fishing and cruising features.

Manufacturing

Marine Products' manufacturing facilities are located in Nashville, Georgia, in what management believes is the largest single-site sport boat production plant in the U.S. At this location, we design and test new models, create fiberglass hulls and decks, manufacture interiors, and assemble various end products. Quality control is conducted throughout the manufacturing process, which begins with the design of a product to meet dealer and customer needs. Plugs (used to create a mold from which prototype boats can be built) are constructed in the research and development phase from designs. Adjustments are made to the plug design until acceptable parameters are met. The final plug is used to create the necessary number of production molds, which are then used to produce the fiberglass hulls and decks. Fiberglass components are made by applying the outside finish, or gel coat, to the mold, then numerous layers of fiberglass and resin are applied during the lamination process over the gel coat. After curing, the hull and deck are removed from the molds and are trimmed and prepared for final assembly, which includes the installation of electrical and plumbing systems, engines, upholstery, accessories and graphics. When fully assembled and inspected, the boats are loaded onto either Company-owned trailers or third-party marine transport trailers for delivery to dealers.

Of note, boat manufacturing is labor-intensive and remains largely unautomated. Most components, both large and small, are best suited for manual production and assembly processes. Unlike large-scale automotive production, the lack of mass volume production, the customization required for each boat, and the high standard of craftsmanship to support our brands' reputation lend themselves to a manual process with a highly skilled workforce. The Company prides itself on the experience and quality of our production staff.

Product Warranty

For our Chaparral and Robalo products, Marine Products provides a lifetime limited structural hull warranty and a transferable one-year limited warranty to the original owner. Warranties for additional items are provided for periods of one to five years and are not transferable. Claim costs related to components are generally absorbed by the original component manufacturer. The manufacturers of the engines, generators, and navigation electronics included on our boats provide and administer their own warranties for various lengths of time.

Suppliers

Marine Products' three most significant cost components used in manufacturing its boats are engines, resins and fiberglass. Each are currently adequately supplied and available in the market, however the costs of these components and commodities (including copper and steel) can fluctuate in response to changes in global economic and political conditions.

The Company does not manufacture the engines installed in its boats. Engines are generally specified by the dealers at the time of ordering a boat, usually based on anticipated customer preferences or actual customer orders. Sterndrive engines are purchased from Mercury Marine under an annually negotiated purchase agreement and from Volvo Penta on a purchase order basis. Outboard engines are purchased from Yamaha under a multi-year joint marketing agreement and Mercury Marine under an annually negotiated purchase agreement.

In the event of a sudden and extended interruption in the supply of engines from any of these suppliers, our sales and profitability could be negatively impacted. See Item 1A Risk Factors below.

Customers & Distribution

Dealer Network. Domestic sales are generated through our independent dealer network of approximately 192 U.S. dealers, of which 56 are Chaparral dealers, 48 are Robalo dealers and 88 dealers sell both brands. Marine Products also has 84 international dealers. As a percentage of our total net sales, international sales represented 4.5% in 2025, 5.6% in 2024 and 5.9% in 2023. Of note, no single dealer nor any group of dealers owned by the same parent company accounted for 10% or more of net sales during 2025, 2024 or 2023.

Most of our dealers also sell boat brands manufactured by other companies, including some that compete directly with our brands. The territories served by our dealers are not exclusive to the dealer; however, Marine Products uses discretion in establishing relationships with new dealers in an effort to protect the mutual interests of the existing dealers and the Company. Marine Products

has six independent field sales representatives who manage relationships with existing dealers and develop new dealer relationships. Management believes that the five largest states for boat sales at the present time are Florida, Texas, Michigan, North Carolina and Minnesota. The Company has dealers in each of these and many other states across the country.

Marketing & Promotions/Incentives. As the Company does not sell directly to consumers, it relies on the dealer network to promote the brands and educate consumers about our boats' features and performance. The Company invests time and resources to supporting our dealers' promotional efforts and ensuring they are well-equipped to position our boats favorably in the marketplace with consumers. Marine Products offers both dealer and retail sales incentive programs to promote dealer inventory replenishment following the prime spring and summer selling seasons, and to promote the sales of older models in dealer inventory. These programs also help to stabilize the Company's manufacturing schedules between the peak and off-peak periods. For the 2026 model year (which commenced July 1, 2025), Marine Products offered its dealers several sales incentive programs based on dollar volume and timing of dealer purchases. With regard to retail incentives, in late 2023 the Company returned to historically typical levels following the post-pandemic period when retail demand was extremely strong and incentives were not critical to drive consumer purchases. Historically, we have also supplemented local advertising, sales and marketing follow-up in boating magazines, and have participated in selected regional, national, and international boat show exhibitions, as well as having developed virtual marketing programs.

Orders & Inventory. Marine Products' sales orders are indicators of strong interest from its dealers. Historically, dealers have in most cases taken delivery of all their orders. The Company does not typically maintain a significant inventory of finished boats. In a typical ordering, production and delivery cycle, the Company monitors dealer inventory levels in order to inform its production scheduling to keep manufacturing in line with end-market demand, and to ensure that dealers are carrying the appropriate levels of inventory. The Company adjusts production schedules as needed to keep its cost structure and labor expenses optimized given the prevailing economic and demand conditions. Strong demand during and following the 2020 pandemic, coupled with strained supply chains resulted in low channel inventories until mid-2023. Subsequently, the rise in interest rates, economic uncertainty, and a slowdown in boat demand resulted in the dealer channel holding excess inventory, which negatively impacted sales during 2024 and 2025 (more detailed recent trends are discussed below in the Industry Overview & Key Themes section).

We believe that dealer inventories of our boat models as of December 31, 2025 are sufficient to meet the current level of retail customer demand. The sales order backlog as of December 31, 2025 was 766 boats with estimated net sales of approximately \$68.9 million. This represents an approximate 14.7 week backlog based on recent production levels. The sales order backlog as of December 31, 2024 was 655 boats with estimated net sales of approximately \$53.4 million. This represented an approximate 11.7 week backlog based on production levels at that time.

Floor Plan Financing. Approximately 76% of Marine Products' domestic shipments are made pursuant to "floor plan financing" (or "FPF") programs in which Marine Products' subsidiaries participate on behalf of their dealers with major third-party financing institutions. The remaining dealers finance their boat inventory with smaller regional financial institutions or self-finance. Under these FPF arrangements, a dealer establishes a line of credit with one or more of these lenders for the purchase of boat inventory for sales to retail customers in their showroom or during boat show exhibitions. In general, when a dealer purchases and takes delivery of a boat pursuant to an FPF arrangement, it draws against its line of credit and the lender pays the invoice cost of the boat directly to Marine Products, generally within ten business days. When the dealer in turn sells the boat, the dealer repays the lender, restoring its available credit line. Each dealer's floor plan credit facilities are secured by the dealer's inventory, letters of credit, and perhaps other personal and real property. In connection with a dealer's FPF arrangements, Marine Products has agreed to repurchase inventory which the lender repossesses from a dealer and returns to Marine Products in a "new and unused" condition subject to normal wear and tear. The contractual agreements that we have with these qualified lenders contain the Company's assumption of specified percentages of the debt obligation on repossessed boats, up to certain contractually determined dollar limits negotiated with the lender. These arrangements are described in more detail below. Despite the higher repurchase commitments described below, we have agreed in the Merger Agreement to limit repurchases pursuant to floorplan financing arrangements to \$500,000 individually or \$1,000,000 in the aggregate during the time period between the execution of the Merger Agreement and the completion of the Mergers except as specifically approved by MasterCraft.

The Company currently has an agreement with one of the floor plan lenders whereby the contractual repurchase limit is based on the highest of the following criteria: (i) a specified percentage of the average net receivables financed by the floor plan lender for our dealers, (ii) the total average net receivables financed by the floor plan lender for our two highest dealers for the three highest monthly receivables balances during the past twelve months, or (iii) \$8.0 million, less repurchases during the prior 12 month period. As defined by the agreement, the repurchase limit for this lender was \$9.3 million as of December 31, 2025. In addition, the Company has an

agreement with a floorplan lender whereby the contractual repurchase limit is based on the highest of the following criteria: (i) a specified percentage of the average net receivables financed by the floor plan lender for our dealers, or (ii) \$18.8 million through June 30, 2026, reducing to \$3.0 million beginning July 1, 2026. As defined by the agreement, the repurchase limit for this lender was \$18.8 million as of December 31, 2025. Lastly, the Company has contractual repurchase agreements with other lenders with an aggregate maximum repurchase obligation of \$1.5 million with various expiration and cancellation terms of less than one year, for an aggregate repurchase obligation with all floor plan financing institutions of \$29.6 million as of December 31, 2025.

Research and Development

Marine Products has been a leading innovator in the recreational boating industry offering exceptional quality and consumer value. Both Chaparral and Robalo have long expanded the range of their offerings through insightful, innovative product design and quality manufacturing processes in order to reach an increasingly discerning recreational boating market. Although the basic hull designs are similar from year to year, the Company has historically introduced a variety of new models each year and periodically replaces, updates or discontinues existing models, as well as introduces new features, designs and color options (both exterior and interior/upholstery colors). As an innovation example, a proprietary and patented feature available on many Chaparral sterndrive models is the Infinity Power StepTM. This mechanical feature allows a portion of the stern to automatically descend underwater, creating a "step-down" staircase effect, giving boaters the ability to step down from the stern into the water. The step also functions as seating, creating a semi-submerged bench.

Other areas in which the Company has invested R&D resources include 3-D printers for parts development and production and virtual reality software to aid in the design of our boats. The in-house 3-D printing capabilities we have developed allow us to prototype new parts quickly, accelerating our product development and design cycles. These capabilities also decrease our reliance on third parties, giving us more control over our supply chain, speed and quality. The virtual reality design software has been a significant resource in improving the quality of our designs and speed of development, as we can test boat layouts and designs virtually, without the time or expense of physical prototypes.

In support of new product development efforts, Marine Products incurred research and development costs of \$1.5 million in 2025, \$762 thousand in 2024, and \$757 thousand in 2023.

Industry Overview & Key Themes

The recreational marine market in the United States is mature, with sales of new and used boats (consisting of outboard, inboard, sterndrive, jet drive, sailboats and personal watercraft) as well as motors and engines, trailers, accessories and other associated costs varying by year and typically correlated with economic cycles in the U.S.

While the business typically exhibits "normal" cyclical patterns based on domestic consumer sentiment and spending, the cycle following the COVID-19 pandemic showed more pronounced positive and negative trends. Following a period of brief uncertainty at the outset of the pandemic, demand for outdoor products increased significantly. Concurrently, global supply chains were constrained by many factors (e.g., availability of materials and components and delays in transportation of goods) resulting in limited supply and escalating input costs. This naturally led to substantial cost increases across the industry, as was commonly seen in many industries dealing with similar supply and demand imbalances, which ultimately resulted in significant price increases.

However, beginning in mid-2023, industry demand began to moderate, supply chain constraints had been resolved, and dealer order patterns began to wane in the face of inventory levels and production capacity that exceeded softening demand. Management believes that since that time the marine industry, and the Company, have experienced reduced sales due to several factors: (1) the impact of several years of selling price increases to offset input cost inflation, (2) a period of rapidly rising interest rates that increased financing costs of boat ownership, consumer uncertainty around the U.S. economy and disposable income, and (3) a general oversupply of boat inventories in the retail channel relative to consumer and dealer demand.

Dealer Inventories (post-pandemic). As noted, the Company does not carry significant amounts of finished boat inventories, rather we build boats according to dealer orders and ship to their locations upon boat completion. During 2021 and 2022, however, extraordinarily high dealer and consumer post-pandemic demand combined with the Company's production delays resulting from supply chain disruptions caused dealer inventories to fall to historic lows. The combination of low inventory levels and high demand through the first half of 2023 forced the Company to allocate its production to dealers to fulfill as many orders as possible and rebuild

dealer inventories. Beginning in the second half of 2023, demand began softening and inventories were replenished, quickly resulting in excess channel inventory heading into 2024.

As demand softened, dealers responded with reduced order flow and the Company began scaling back production to allow for inventory reductions in the dealer channel. The Company believes its channel inventory is currently at an appropriate level given demand expectation, however, overall production is significantly less than our manufacturing capacity, thus negatively impacting fixed cost absorption and gross profit margins.

Interest rates. Short-term interest rates play an important role in the marine industry as they are a large determinant of inventory carrying costs for dealers and financing costs for consumers. As discussed above, boat dealers typically purchase boats from the Company using credit supplied by third-party financial institutions. Thus, the value of the inventory incurs a carrying cost, or interest cost, each month. Since the financial crisis in 2008, the U.S. market has enjoyed historically low interest rates, which have been a key support factor for the housing, auto, and other large/financed purchases, including large discretionary items like recreational vehicles and boats. In response to rapid inflation following the strong post-pandemic economic conditions, the Federal Reserve began quickly raising short-term borrowing rates in early 2022 from near-zero to over 5% by mid-2023, and have since modestly reduced rates into the mid-3% range.

The rapid pace of interest rate increases had a negative impact on the marine industry. Not only did the interest rates used in calculating dealer carrying costs increase dramatically, the "borrowing base" increased as well due to the large boat model price increases in the preceding years; thus while the units of boats in dealer inventories increased, the impact was worsened because the outstanding balances on their floorplan financing arrangements had risen with the cost of the boats purchased. The rise in interest rates also had a negative impact on consumers who financed the purchase of their boats, as higher rates translate into higher monthly payments. The increased cost of boat ownership and sentiment around higher interest rates potentially causing a recession (and the potential for lower rates in the future) are also believed to have negatively impacted consumer demand for boats.

Competition

The recreational boat manufacturing market remains highly fragmented, although several large national or regional manufacturers, including Brunswick Corporation, Sea Hunt Boats, Malibu Boats, Inc., MasterCraft Boat Holdings, Inc. and Regal Marine Industries, Inc. own a diversified group of recreational boat brands and have substantial financial, marketing and other resources. We estimate that the U.S. boat manufacturing industry includes nearly 100 sport/pleasure boat producers with significant unit production, with a large number representing small, privately held companies with varying degrees of professional management and manufacturing skill. Within this fragmented market, there are many categories of size and boat type, which can make market share data somewhat difficult to compare given the subjectivity of criteria and "market share" definition and parameters.

Our highly fragmented industry has intense competition for customers, dealers and boat show exhibition space. There is significant competition both within geographic and product/category markets we currently serve and in new markets that we may enter. Marine Products' brands compete with large national, regional, and smaller manufacturers throughout the U.S. boat manufacturing industry, and particularly with those manufacturers that operate in the pleasure boats and outboard sport fishing boats categories in which we operate. We compete on the basis of responsiveness to customer needs, the quality and range of models offered, and the competitive pricing of those models. Additionally, Marine Products faces general competition from all other recreational businesses seeking to attract consumers' leisure time and discretionary spending dollars.

Strategy

The Company has historically aimed to grow its boat sales, net sales and market share by differentiating our product lines through industry-leading feature innovations and designs. In assessing MPX's strategy, financial condition and operating performance, management generally reviews results and trends related to sales, plant utilization, pricing, cost structure, profitability, cash flows and

the return on our invested capital. We also monitor industry-wide and general macro-economic factors that impact dealer order activity.

Environmental and Regulatory Matters

Certain materials used in boat manufacturing, including the resins used to make the decks and hulls, are toxic, flammable, corrosive, or reactive and are classified by the federal and state governments as "hazardous materials." Control of these substances is regulated by the Environmental Protection Agency ("EPA") and state pollution control agencies, which require reports and facility inspections to monitor compliance with their regulations. The Occupational Safety and Health Administration ("OSHA") standards limit the number of emissions to which an employee may be exposed without the need for respiratory protection or upgraded plant ventilation. Marine Products' manufacturing facilities are regularly inspected by OSHA and by state and local inspection agencies and departments. Marine Products believes that its facilities comply in all material aspects with these regulations. We do not currently anticipate that any material expenditure will be required to continue to comply with existing environmental or safety regulations in connection with our existing manufacturing facilities.

Recreational powerboats sold in the United States must be manufactured to meet the standards of certification required by the United States Coast Guard. In addition, boats manufactured for sale in the European Community must be compliant with the International Organization for Standardization requirements which specify standards for the design and construction of powerboats. All boats sold by Marine Products meet these standards. In addition, safety of recreational boats is subject to federal regulation under the Boat Safety Act of 1971. The Boat Safety Act requires boat manufacturers to recall products for replacement of parts or components that have demonstrated defects affecting safety. Marine Products has from time to time instituted recalls for defective component parts produced by other manufacturers. None of the recalls has had a material adverse effect on Marine Products.

The EPA has adopted regulations stipulating that many marine propulsion engines meet an air emission standard that requires fitting a catalytic converter to the engine. These regulations also require, among other things, that the engine manufacturer provides a warranty that the engine meets EPA emission standards. The engines used in Marine Products' Chaparral and Robalo product lines are subject to these regulations. These regulations are similar to regulations adopted by the California Air Resources Board in 2007 but apply to all U.S. states and territories. These regulations have increased the cost to manufacture the majority of the Company's boat products. Compliance with these EPA regulations has increased Marine Products' cost and may also reduce Marine Products' net sales, because the increased cost of owning a boat may force consumers to buy a smaller or less expensive boat.

Human Capital

The table below shows the number of employees at December 31, 2025 and 2024:

<u>At December 31,</u>	<u>2025</u>	<u>2024</u>
Employees	698	617

The recreational boating industry is cyclical and therefore headcount is subject to change based on production levels which are a function of dealer and consumer demand. The Company's key human capital management objectives are focused on fostering talent in the following areas:

Workplace Inclusion - The Company's workforce reflects the diversity of the community in which it operates. Our dedicated team of employees work toward a common purpose. We provide employment in a small community which we have supported as the largest employer since 1976. Our company is strong in its values and relationships, and we regularly monitor compliance with applicable non-discrimination laws related to race, gender and other protected classes.

Development and Training - The Company's management team and all its employees are expected to exhibit and promote honest, ethical and respectful conduct in the workplace. We have implemented and maintained a corporate compliance program to provide guidance for everyone associated with the Company, including its employees, officers and directors (the "Code"). The Code prohibits unlawful or unethical activity, including discrimination, and directs our employees, officers, and directors to avoid actions that, even if not unlawful or unethical, might create an appearance of illegality or impropriety. In addition, the Company has provided annual training for preventing, identifying, reporting and stopping any type of unlawful discrimination.

Employee Retention - Marine Products monitors voluntary employee turnover and reports these statistics to senior operational management. From time to time, the Company has rewarded employee tenure through various bonus programs for its hourly employees based on attendance and job performance.

Compensation and Benefits - The Company has historically aimed to provide compensation and benefit packages that are competitive in the market, taking into account the location and responsibilities of the job. We have provided health insurance as well as competitive financial benefits such as a 401(k) retirement plan with a company match, and in the past we have granted awards of restricted stock and other equity awards for certain of our salaried employees. The Merger Agreement generally prohibits us from making new awards under our equity compensation plans during the time period between the execution of the Merger Agreement and the completion of the Mergers except as specifically allowed by the Merger Agreement or approved by MasterCraft.

Safety - Marine Products monitors several safety measures on a regular basis. Management reviews safety incidents, and the Company works to remediate operational issues that may be potential causes of any frequent incidents.

Proprietary Matters

Marine Products owns several trademarks, trade names and patents that it believes are important to its business. Except for the Chaparral and Robalo trademarks, Marine Products is not dependent upon any single trademark or trade name or group of trademarks or trade names. The Chaparral and Robalo trademarks are currently registered in the United States. The current duration for such registration ranges from seven to 15 years but each registration may be renewed an unlimited number of times.

Seasonality

Marine Products' quarterly operating results are affected by weather and general economic conditions. Quarterly operating results for the second quarter traditionally record the highest sales volume for the year because this corresponds with the highest retail sales volume period. For similar reasons, quarterly operating results for the fourth quarter often record the lowest sales volume for the year. The results for any quarter are not necessarily indicative of results to be expected in any future period.

Inflation

New boat buyers typically finance their purchases. The Company believes that increases in interest rates in recent years (which were generally linked to higher inflation) reduced retail demand for smaller boats, because purchasers of smaller boats are typically more sensitive to increases in the cost of boat ownership and typically finance their purchases. Higher interest rates also impact many of our dealers, as their inventories are financed and they bear much of the carrying costs related to boats held in inventory. Lastly, the Company incurs higher costs from rising interest rates because we often pay a portion of dealer floor plan interest as part of our dealer sales incentive programs. Although economic uncertainty continues to impact the marine industry, we are encouraged by the potential for lower interest rates.

As a result of post-pandemic supply chain disruptions, general inflation and tariffs, the market prices of the raw materials and components used by the Company's manufacturing processes increased and remain elevated. In response, the Company increased the prices for its products, and they remain historically high. In 2024 and 2025, input cost inflation was immaterial, though many items remain elevated compared to historical levels. The Company believes the cost of boat ownership has risen enough over the last several years to impact retail demand. Therefore, it may be more difficult to raise prices in the future to compensate for increased costs of raw materials and components, which could impact the Company's sales and profit margins. In addition, the ongoing tariff developments and associated supply chain disruptions could result in a resumption in inflationary pressures.

Availability of Filings

Marine Products makes available free of charge on its website, MarineProductsCorp.com, the annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports on the same day as they are filed with the SEC.

Item 1A. Risk Factors

Risks Related to our Business

Economic Conditions, Availability of Credit and Consumer Confidence Levels Affect Marine Products' Sales Because Marine Products' Products are Purchased with Discretionary Income.

During an economic recession or when an economic recession is perceived as a threat, Marine Products will be adversely affected as consumers have less discretionary income or are more apt to save their discretionary income rather than spend it. During times of global political or economic uncertainty, Marine Products will be negatively affected to the extent consumers forego or delay large discretionary purchases pending the resolution of those uncertainties. Historical volatility in the prices and financial returns of investments and residential real estate may force consumers to delay retirement, or to choose more modest lifestyles when they do retire. In such a case, consumers may not purchase boats, may purchase boats later in their lives, or may purchase smaller or less expensive boats. Tight lending and credit standards, which until recently have been in use by lenders in the United States, can make loans for boats harder to secure, and such loans may carry unfavorable terms, which may force consumers to forego boat purchases. These factors have also resulted in the past, and may continue to result in the future, in a reduction in the quality and number of dealers upon which Marine Products relies to sell its products.

Marine Products Relies Upon Third-Party Dealer Floor Plan Lenders Which Provide Financing to its Network of Independent Dealers.

Marine Products sells its products to a network of independent dealers, most of whom rely on one or more third-party dealer floor plan lenders to provide financing for their inventory prior to its sale to retail customers. In general, this source of financing is vital to Marine Products' ability to sell products to its dealer network. While dealer floor plan credit is currently available for many of our dealers during the 2026 model year, the Company's sales and profitability could be adversely affected in the event of a decline in floor plan financing availability, or if financing terms change unfavorably.

Interest Rates and Fuel Prices Affect Marine Products' Sales.

The Company's products are often financed by our dealers and the retail boat consumers. Higher interest rates increase the borrowing costs and, accordingly, the cost of doing business for dealers and the cost of boat ownership for consumers. Fuel costs can represent a large portion of the costs to operate our products. Therefore, higher interest rates and fuel costs can adversely affect consumers' decisions relating to recreational boating purchases.

Marine Products' Dependence on its Network of Independent Boat Dealers May Affect its Operating Results and Sales.

Virtually all Marine Products' sales are derived from its network of independent boat dealers. Marine Products has no long-term agreements with these dealers. Competition for dealers among recreational powerboat manufacturers continues to increase based on the quality of available products, the price and value of the products, and attention to customer service, and individual dealers frequently also sell boats manufactured by our competitors. The Company faces intense competition from other recreational powerboat manufacturers in attracting and retaining independent boat dealers. The number of independent boat dealers supporting the Chaparral and Robalo trade names and the quality of their marketing and servicing efforts are essential to Marine Products' ability to generate sales. A deterioration in the number of Marine Products' network of independent boat dealers could have a material adverse effect on its boat sales. Marine Products' inability to attract new dealers and retain those dealers, or its inability to increase sales with existing dealers, could substantially impair its ability to execute its business plans.

Marine Products' Financial Condition and Operating Results may be Adversely Affected by Boat Dealer Defaults.

The Company's products are sold through independent dealers, and the financial health of these dealers is critical to the Company's continued success. The Company's results can be negatively affected if a dealer defaults because Marine Products or its subsidiaries may be contractually required to repurchase inventory up to certain limits, although for business reasons, the Company may decide to purchase additional boats in excess of this contractual obligation.

Marine Products' Sales are Affected by Weather Conditions, Which May Involve Long-Term Impact from Global Warming.

Marine Products' business is subject to weather patterns that may adversely affect its sales. For example, drought conditions, or merely reduced rainfall levels, or excessive rain, may close area boating locations or render boating dangerous or inconvenient, thereby curtailing customer demand for our products. In addition, unseasonably cool weather and prolonged winter conditions may lead to a shorter selling season in some locations. Hurricanes and other storms could cause disruptions to our operations or damage to our boat inventories and manufacturing facilities. Global warming may continue to worsen the impact of extreme weather conditions.

Marine Products' Single Operational Location Creates Risk for its Sales, Profits and the Value of its Assets.

Marine Products' manufacturing operations are conducted in a single location in Nashville, Georgia. To support our operations, several of our suppliers have also established facilities close to our manufacturing facility to provide timely delivery of fabricated components. Catastrophic weather, civil unrest, fires, natural disasters or other unanticipated events beyond our control may disrupt both our and our suppliers' ability to conduct manufacturing operations or transport our finished boats to our dealer network. We do not own or have access to alternate manufacturing locations. In the event of such events or conditions, we may incur damage to our work-in-process and finished goods inventory and will incur impairment charges to the value of that inventory. Furthermore, our sales and profits may be adversely affected during and immediately after such events or conditions due to our inability to manufacture and deliver boats to our dealer network.

Marine Products Encounters Intense Competition Which Affects our Sales and Profits.

The recreational boat industry is highly fragmented, resulting in intense competition for customers, dealers and boat show exhibition space. This competition affects both the markets which we currently serve and new markets that we may enter in the future. We compete with several large national or regional manufacturers that have substantial financial, marketing and other resources.

Because Marine Products Relies on Third-Party Suppliers, Marine Products may be Unable to Obtain Adequate Raw Materials, Engines and Components at Reasonable Prices or at All, Which Could Increase our Working Capital Requirements and Adversely Affect Sales and Profit Margins.

Marine Products is dependent on third-party suppliers to provide raw materials, engines and components essential to the construction of its various powerboats. Especially critical are the availability and cost of marine engines and commodity raw materials used in the manufacture of Marine Products' boats. Marine Products has three suppliers for the three types of engines it purchases. While Marine Products' management believes that supplier relationships currently in place are sufficient to provide the engines and materials necessary to meet present production demands, there can be no assurance that these relationships will continue, that these suppliers will remain in operation or that the quantity or quality of materials available from these suppliers will be sufficient to meet Marine Products' future needs. Disruptions in current supplier relationships or the inability of Marine Products to continue to purchase construction materials in sufficient quantities and of sufficient quality at acceptable prices to meet ongoing production schedules could cause a decrease in sales or a sharp increase in the cost of goods sold. Additionally, because of this dependence, the volatility in commodity raw materials or current or future price increases in production materials or the inability of Marine Products' management to purchase engines and materials required to execute its growth and acquisition strategies could reduce the number of boats Marine Products may be able to produce for sale or cause a reduction in Marine Products' profit margins.

As noted, we rely on third parties to supply a number of raw materials used in our manufacturing processes. Prices for these raw materials fluctuate, often unpredictably, due to market forces beyond our control. When prices of these raw materials increase, we attempt to preserve our profit margins by increasing the prices of our products. There is no assurance that we will be able to increase the prices of our products and preserve our profitability in the event of future inflation and cost increases.

Increasing Expectations from Customers, Investors and Other Stakeholders Regarding Our Environmental, Social and Governance (ESG) Practices may Affect Our Business, may Create Additional Costs for Us, or Expose Us to Related Risks.

Many companies are receiving greater attention from stakeholders regarding their ESG practices, as well as their oversight of relevant ESG issues. The various stakeholders are placing growing importance on our potential environmental and social issue risk exposure and the impact of our choices. This trend appears likely to continue. Increased focus on ESG and related decision-making may negatively impact us as customers, investors and other stakeholders may choose not to work with us or reallocate capital or

decline to make an investment as a result of their assessment of our ESG practices. Companies that do not comport with, or do not adapt to, these evolving investor and stakeholder ESG-related expectations and standards, or that are assessed as not having responded appropriately to the growing focus on ESG matters, may have their brand and reputation harmed, and we or our stock price may be adversely affected even though we may be in full compliance with all relevant laws and regulations. In addition, changed priorities in terms of governmental interpretation of discrimination and other laws could result in enforcement actions or other litigation regarding the Company's ESG practices.

Marine Products purchases materials and components for boat production, as well as conducts business internationally; these aspects of our business could be affected by tariffs.

Boat production entails the purchase of fiberglass and other raw materials, as well as electrical components, small parts, and aluminum trailers to transport boats. These purchases are often made from international suppliers, from distributors who procure these items overseas, or from domestic manufacturers who rely on imported raw materials to manufacture their products. Potential implementation of tariffs on US trade partners could cause the prices of the items and materials to increase, which could result in us raising prices to our customers, and those efforts may or may not be successful. Marine Products also sells boats to dealers in other countries, including Canada, and a tariff-related trade war with retaliatory tariffs could make our products more expensive in those markets or cause delays in ordering our products.

Risk Management Risks

Marine Products Has Potential Liability for Personal Injury and Property Damage Claims.

The products or services we sell may expose Marine Products to potential liabilities for personal injury or property damage claims relating to the use of those products. Historically, the resolution of product liability claims has not materially affected Marine Products' business. Marine Products maintains product liability insurance that it believes to be adequate. However, there can be no assurance that Marine Products will not experience legal claims in excess of its insurance coverage or that claims will be covered by insurance. Furthermore, any significant claims against Marine Products could result in negative publicity, which could cause Marine Products' sales to decline.

Regulatory Risks

If Marine Products is Unable to Comply with Environmental and Other Regulatory Requirements, its Business may be Exposed to Liability and Fines.

Marine Products' operations are subject to extensive regulation, supervision and licensing under various federal, state and local statutes, ordinances and regulations. While Marine Products believes that it maintains all requisite licenses and permits and is in compliance with all applicable federal, state and local regulations, there can be no assurance that Marine Products will be able to continue to maintain all requisite licenses and permits and comply with applicable laws and regulations. The failure to satisfy these and other regulatory requirements could cause Marine Products to incur fines or penalties or could increase the cost of operations. The adoption of additional laws, rules and regulations could also increase Marine Products' costs.

The U.S. Environmental Protection Agency (EPA) has adopted regulations affecting many marine propulsion engines. This regulation has increased the cost of boats subject to the regulation, which may either reduce the Company's profitability or reduce sales.

As with boat construction in general, our manufacturing processes involve the use, handling, storage and contracting for recycling or disposal of hazardous or toxic substances or wastes. Accordingly, we are subject to regulations regarding these substances, and the misuse or mishandling of such substances could expose Marine Products to liability or fines.

Additionally, certain states have required or are considering requiring a license to operate a recreational boat. While such licensing requirements are not expected to be unduly restrictive, regulations may discourage potential first-time buyers, thereby reducing future sales.

Risks Related to our Labor Force

Marine Products' Success Will Depend on its Key Personnel, and the Loss of any Key Personnel may Affect its Powerboat Sales.

Marine Products' success will depend to a significant extent on the continued service of key personnel. The loss or interruption of the services of any key personnel or the inability to attract and retain other qualified employees, sales, marketing and technical employees could disrupt Marine Products' operations and cause a decrease in its sales and profit margins.

Marine Products' Ability to Attract and Retain Qualified Employees is Crucial to its Results of Operations and Future Growth.

Marine Products relies on the existence of an available hourly workforce to manufacture its products. As with many businesses, we are challenged at times to find qualified employees. There are no assurances that Marine Products will be able to attract and retain qualified employees to meet current and/or future growth needs.

Risks Related to Our Capital and Ownership Structure

Marine Products' Executive Officers, Directors and Their Affiliates Together Have a Substantial Ownership Interest, and Public Stockholders may Have no Effective Voice in Marine Products' Management.

The Company has elected the "Controlled Corporation" exemption under Section 303A of the New York Stock Exchange ("NYSE") Listed Company Manual. The Company is a "Controlled Corporation" because a group that includes Amy R. Kreisler and Timothy C. Rollins, each of whom is a director of the Company, certain of their family members, and certain companies under their and/or their family members' control, controls in excess of fifty percent of the Company's voting power. As a "Controlled Corporation," the Company need not comply with certain NYSE rules including those requiring a majority of independent directors and independent nominating and compensation committees.

Marine Products' executive officers, directors and their affiliates hold directly or through indirect beneficial ownership, in the aggregate, approximately 75% of Marine Products' outstanding shares of common stock as of February 13, 2026. As a result, these stockholders effectively control the operations of Marine Products, including the election of directors and approval of significant corporate transactions such as acquisitions. In the event that the Mergers are not completed for any reason, this concentration of ownership could also have the effect of delaying or preventing a third-party from acquiring control of Marine Products at a premium.

Our Executive Officers, Directors and Their Affiliates Together Have a Substantial Ownership Interest, and the Availability of Marine Products' Common Stock to the Investing Public may be Limited.

Prior to the completion of the Mergers, and in the event the Mergers are not completed for any reason, the availability of Marine Products' common stock to the investing public may be limited to those shares not held by the executive officers, directors and their affiliates, which could negatively impact Marine Products' stock trading prices and affect the ability of minority stockholders to sell their shares. Future sales by executive officers, directors and their affiliates of all or a portion of their shares could also negatively affect the trading price of our common stock.

The Controlling Group Could Take Actions That Could Negatively Impact Our Results of Operations, Financial Condition or Stock Price.

In the event the Mergers are not completed for any reason, the Controlling Group may from time to time and at any time, in their sole discretion, acquire or cause to be acquired, additional equity or other instruments of the Company, its subsidiaries or affiliates, or derivative instruments the value of which is linked to Company securities, or dispose or cause to be disposed, such equity or other securities or instruments, in any amount that the Controlling Group may determine in their sole discretion, through open market transactions, privately negotiated transactions or otherwise. In addition, depending upon a variety of factors, in the event the Mergers are not completed for any reason, the Controlling Group may at any time engage in discussions with the Company and its affiliates, and other persons, including retained outside advisers, concerning the Company's business, management, strategic alternatives and direction, and in their sole discretion, consider, formulate and implement various plans or proposals intended to enhance the value of their investment in the Company. In the event the Controlling Group were to engage in any of these actions, our common stock price could be negatively impacted, such actions could cause volatility in the market for our common stock or could have a material adverse effect on our results of operations and our financial condition.

Provisions in Marine Products' Certificate of Incorporation and Bylaws may Inhibit a Takeover of Marine Products.

Marine Products' certificate of incorporation, bylaws and other documents contain certain provisions including advance notice requirements for stockholder proposals and director nominations. In the event the Mergers are not completed for any reason, these provisions may make a tender offer, change in control or takeover attempt that is opposed by Marine Products' Board of Directors more difficult or expensive.

Risks Related to Digital Operations, Cybersecurity and Business Disruption

Our Operations Rely on Digital Systems and Processes That are Subject to Cyber-Attacks or Other Threats That Could Have a Material Adverse Effect on our Business, Consolidated Results of Operations and Consolidated Financial Condition.

Our operations are dependent on digital technologies and services. We use these technologies and services for internal purposes, including data storage, processing and transmissions, and manufacturing robotics, as well as in our interactions with customers and suppliers. Digital technologies are subject to the risk of cyber-attacks, both from internal and external threats. Internal threats in cybersecurity are caused by the misuse of access to networks and assets by individuals within the Company by maliciously or negligently disclosing, modifying or deleting sensitive information. Individuals within the Company include current employees, contractors and partners. External threats in cybersecurity are caused by unauthorized parties attempting to gain access to our networks and assets by exploiting security vulnerabilities or through the introduction of malicious code, such as viruses, worms, Trojan horses and ransomware. In response to the risk of cyber-attacks, we regularly review and update processes to prevent unauthorized access to our networks, information technology assets and misuse of data. We provide security awareness training for appropriate employees and closely manage the information system accounts and privileges of all employees and contractors. We also maintain an up-to-date incident response plan to quickly address cybersecurity incidents. We have experienced unsuccessful cyber-attack attempts to gain unauthorized access to our network. To date, these attacks have not had a material impact on our operations.

If our systems for protecting against cybersecurity risks prove to be insufficient, we could be adversely affected by, among other things, loss of or damage to intellectual property, proprietary or confidential information, or customer, supplier, or employee data, as well as interruption of our business operations and increased costs required to prevent, respond to, or mitigate cybersecurity attacks. These risks could harm our reputation and our relationships with customers, suppliers, employees and other third parties, and may result in claims against us. In addition, we may not have adequate insurance coverage to compensate for losses from any of the risks listed herein, our existing insurance coverage may not continue to be available on acceptable terms or at all, and our insurers may deny coverage as to any future claims. These risks could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Risks Related to Artificial Intelligence

Increased usage of Artificial Intelligence (AI) and machine learning technologies could expose us to operational, safety, cybersecurity, legal and reputational risks and could adversely affect our ability to compete, our operating results and our cash flows.

We do not currently rely on AI for core elements of our boat design, engineering, production, or customer support processes. However, vendors, suppliers, dealers, and technology partners may incorporate AI into the products, services, or systems we use. If these third-party AI tools malfunction, produce unreliable outputs, or are integrated without sufficient controls, our operations could experience disruptions, delays, cost increases, quality issues, or cybersecurity vulnerabilities. Competitors may deploy AI-enabled tools more quickly or effectively than we do, improving their cost structure, responsiveness and utilization and increasing competitive pressure. Future AI-related regulations could also affect us even if our internal use remains limited. Governments may enact rules governing automated decision-making, data usage, safety testing, workforce impacts, or transparency requirements applicable to manufacturers or their supply chains. Compliance with such regulations could require changes to the software, systems, or data processes we use, and non-compliance—whether by us or a third-party vendor—could expose us to penalties or reputational harm.

General Risks

Marine Products' Stock Price Has Been Volatile.

Historically, the market price of common stock of companies engaged in the discretionary consumer products industry has been highly volatile. Likewise, the market price of our common stock has varied significantly in the past. In addition, the availability of Marine Products common stock to the investing public is limited to the extent that shares are not sold by the executive officers, directors and their affiliates, which could negatively impact the trading price of Marine Products' common stock, increase volatility and affect the ability of minority stockholders to sell their shares. Future sales by executive officers, directors and their affiliates of all or a substantial portion of their shares could also negatively affect the trading price of Marine Products' common stock.

Risks Related to the Mergers

The number of shares of MasterCraft common stock issuable in the First Merger in respect of one share of our common stock is fixed and will not be adjusted. Because the market price of MasterCraft common stock may fluctuate, our stockholders cannot be sure of the market value of the stock consideration they will receive in exchange for their shares in connection with the proposed transaction.

At the time the First Merger is completed, each issued and outstanding share of our common stock will be converted into the right to receive the Merger Consideration, which is comprised of the Stock Consideration and Cash Consideration. The exchange ratio is fixed and will not be adjusted to reflect stock price changes of either our common stock or MasterCraft common stock prior to the closing of the First Merger. Accordingly, the market value of the Stock Consideration that our stockholders will receive in First Merger will vary based on the price of MasterCraft common stock at the time our stockholders receive the Merger Consideration, and our stockholders cannot be sure of the market value of the share component of the Merger Consideration they will receive upon completion of First Merger. The market price of MasterCraft common stock is expected to fluctuate from the date hereof through and after the date the Mergers are completed, which could occur a considerable amount of time after the date hereof. Changes in the price of MasterCraft common stock may result from a variety of factors, including general market and economic conditions, changes in MasterCraft's and our businesses, operations and prospects, changes in market assessments of the likelihood that the Mergers will be completed and/or the value that may be generated by the Mergers, changes with respect to expectations regarding the timing of the Mergers and regulatory considerations. Many of these factors are beyond our and MasterCraft's control. In addition, the use of cash by MasterCraft in connection with the financing of the Cash Consideration may have an adverse impact on MasterCraft's liquidity, limit MasterCraft's flexibility in responding to other business opportunities and increase MasterCraft's vulnerability to adverse economic and industry conditions, each of which could adversely affect the market price of MasterCraft's common stock prior to closing and that of the combined company following closing.

Failure to complete the Mergers, or a delay in the completion of the Mergers, could negatively impact our business, results of operations, financial condition, and stock price.

The Merger Agreement is subject to a number of conditions that must be fulfilled to complete the Mergers. Those conditions include, but are not limited to: (i) the approval of the Merger Agreement by the affirmative vote of the holders of a majority in voting power of the outstanding Company common stock entitled to vote thereon, (ii) the approval of the issuance of shares of MasterCraft

common stock to be issued in the First Merger by the affirmative vote of the holders of a majority in voting power of the outstanding MasterCraft common stock present in person or by proxy and entitled to vote thereon at a meeting of MasterCraft stockholders, (iii) the absence of any injunction or order by any court or other governmental entity restraining, enjoining, preventing or otherwise prohibiting the consummation of the Mergers, (iv) the shares of MasterCraft common stock to be issued in the First Merger being approved for listing on the Nasdaq, (v) the effectiveness of the registration statement on Form S-4 pursuant to which the shares of MasterCraft common stock to be issued in the First Merger will be registered with the SEC, (vi) the expiration or termination of the waiting period (and any extension thereof) required under the HSR Act, and (vii) the absence of a material adverse effect with respect to each of MasterCraft and the Company. A number of the conditions are not within our control, and may prevent, delay, or otherwise materially adversely affect the completion of the Mergers. We cannot predict with certainty whether and when any of the required closing conditions will be satisfied or if another uncertainty may arise and cannot assure you that we will be able to timely consummate the Mergers as currently contemplated under the Merger Agreement or at all. Our business, results of operations, financial condition, or stock price could be adversely affected, potentially in a material way, by the failure to complete the Mergers, or by a delay in the completion of the Mergers, and we may suffer consequences that could adversely affect our business, results of operations, financial condition, and stock price, including the following:

- we may not realize any or all of the potential benefits of the Mergers, including any synergies that could result from combining our financial and business resources with those of MasterCraft;
- we could be required to pay a termination fee of \$11.6 million if the Merger Agreement is terminated in certain circumstances;
- matters relating to the Mergers will require substantial commitments of time and resources by our management which would otherwise have been devoted to day-to-day operations and other opportunities that may have been beneficial to us as an independent company;
- we have incurred and will incur further substantial expenses in connection with the Mergers, including legal, financial advisory, accounting, consulting and other advisory fees, severance/employee benefit-related costs, public company filing fees and other regulatory fees, and other costs relating to the Mergers regardless of whether the Mergers are consummated;
- we may be subject to legal proceedings related to the potential delay of, or failure to consummate, the Mergers;
- we may experience disruptions to our business resulting from the announcement and pendency of the Mergers, including adverse changes in our relationships with, or loss of, our customers, business partners and employees, which may not be reversible and may continue or even intensify in the event the Mergers are delayed or not consummated;
- under the Merger Agreement, we are subject to certain restrictions on the conduct of our business prior to completing the Mergers, which restrictions could adversely affect our ability to conduct our business as we otherwise would have done if we were not subject to these restrictions;
- we may experience negative reactions to the Mergers from the financial markets, including negative impacts on the market price of our common stock; and
- if the Mergers are not consummated, we may suffer from negative publicity and a negative impression of us in the investment community and a failure to close the Mergers may have a negative impact on the market price of our common stock.

Uncertainties associated with the Mergers may cause a loss of key employees at either of the Company or MasterCraft, which could adversely affect the future business and operations of the combined company following the Mergers.

We depend on the experience and industry knowledge of our key employees to execute our business plans. The success of the combined company after the Mergers will depend in part on its ability to retain or attract key employees. During the pendency or following the completion of the Mergers, our current and prospective employees may experience uncertainty or have concerns regarding their roles within the combined company, the timing and completion of the Mergers or the operations of the combined company, any of which may have an adverse effect on our ability to retain or attract key personnel. If we are unable to retain key personnel, we or the combined company could face disruptions in our operations, loss of existing customers, loss of key information, expertise or know-how and unanticipated additional recruitment and training costs. In addition, the loss of key personnel could diminish the anticipated benefits of the Mergers. No assurance can be given that the combined company, following the Mergers, will be able to retain or attract key employees of the Company to the same extent that the Company has previously been able to retain or attract its own employees.

Current holders of our common stock will have a significantly reduced ownership and voting interest in the combined company after the Mergers and will therefore have less voting influence over the combined company.

As a result of the Mergers, each of our stockholders will become a holder of common stock of the combined company. Upon completion of the Mergers, current Company stockholders are expected to own approximately 33.5% and current MasterCraft stockholders are expected to own approximately 66.5% of the combined company on a fully diluted basis. As a result, the Company's current stockholders will have less voting influence on the combined company and may have less influence on its management and policies than they now have over the Company.

Litigation against us or MasterCraft, or the members of our or MasterCraft's board of directors, could prevent or delay the completion of the Mergers.

Our stockholders or MasterCraft's stockholders have and may continue to file lawsuits against us, MasterCraft, and/or the board of directors of either company in connection with the Mergers. These legal proceedings could delay or prevent the Mergers from being completed in a timely manner. The existence of litigation related to the Mergers could affect the likelihood of obtaining the required regulatory and stockholder approvals. Moreover, any litigation could be time-consuming and expensive and could divert our and MasterCraft's management's attention away from their regular business and their focus on successful integration planning for the two companies. Any lawsuit adversely resolved against us, MasterCraft or members of our respective boards of directors could have a material adverse effect on each company's business, financial condition and results of operations.

The Merger Agreement limits our ability to pursue alternatives to the Mergers and may discourage other companies from trying to acquire us.

The Merger Agreement contains "no shop" covenants that restrict our ability to, directly or indirectly, among other things, solicit alternative acquisition proposals, to furnish information to, and to participate in discussions or negotiations with, third parties regarding any alternative acquisition proposals, subject to a customary "fiduciary out" provision. These provisions, which include a \$11.6 million termination fee payable under certain circumstances, may discourage a potential third-party acquirer that might have an interest in acquiring all or a significant part of the Company from considering or making such an acquisition proposal.

The need for regulatory approvals may delay the date of completion of the Mergers or may diminish the benefits of the Mergers.

The parties to the Merger Agreement are required to obtain the approvals of certain regulatory agencies before completing the Mergers. Satisfying any requirements of these regulatory agencies may delay the date of completion of the Mergers. The requisite regulatory approvals may not be received on a timely basis, or at all (in which case the Mergers could not be completed), or may contain conditions or restrictions on completion of the Mergers that cannot be satisfied. In addition, any conditions or restrictions imposed could have the effect of imposing additional costs on or limiting the revenues of the combined company following the Mergers, which might have an adverse effect on the combined company following the Mergers. Further, it is possible that, among other things, restrictions on the combined operations of the two companies, including divestitures, may be sought by governmental agencies as a condition to obtaining the required regulatory approvals. This may diminish the benefits of the Mergers to the combined company or otherwise have an adverse effect on the combined company following the Mergers.

If the Mergers are consummated, the combined company may not perform as we or the market expects and may fail to realize the projected benefits and cost savings of the Mergers, which could adversely affect the value of MasterCraft common stock, which our current stockholders will own following the completion of the Mergers.

The success of the Mergers will depend, in part, on MasterCraft's ability to realize the anticipated benefits and cost savings from combining our and MasterCraft's respective businesses, including operational and other synergies that we believe the combined company will be able to achieve. The anticipated benefits and cost savings of the Mergers may not be realized fully or at all, may take longer to realize than expected or could have other adverse effects that we do not currently foresee. Risks associated with the combined company following the Mergers include:

- the integration process will require significant time and focus from management following the Mergers and may, for the combined company, result in the loss of key employees, the disruption of ongoing businesses or inconsistencies in standards, controls, procedures, and policies;

- it is possible that key employees might decide not to remain with the combined company after the Mergers are completed, and the loss of key personnel could have a material adverse effect on the resulting entity's results of operations, financial condition, and growth prospects;
- the results of operations of the combined company and the market price of the combined company's common stock after the completion of the Mergers may be affected by factors different from those currently affecting the independent results of operations of each of the Company and MasterCraft;
- there could be potential unknown liabilities and unforeseen expenses associated with the Mergers that were not discovered in the course of performing due diligence; and
- the issuance of shares of the MasterCraft common stock in the Mergers could depress the market price for the combined company's common stock.

If the Mergers were to fail to qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), the Company's stockholders may be required to pay additional U.S. federal income taxes.

The Mergers are intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Code, and the Company and MasterCraft intend to report the Mergers consistent with such qualification. However, the closing is not conditioned upon the receipt of an opinion of counsel or a ruling from the Internal Revenue Service ("IRS") that the Mergers will so qualify, and neither MasterCraft nor the Company intends to request a ruling from the IRS regarding the U.S. federal income tax consequences of the Mergers. Consequently, no assurance can be given that the Mergers will so qualify, that the IRS will not challenge such qualification, or that a court would not sustain such a challenge. If the Mergers were to fail to qualify as a "reorganization" within the meaning of Section 368(a) of the Code, a holder of the Company's common stock generally would recognize gain or loss for U.S. federal income tax purposes upon the exchange of the Company's common stock for MasterCraft common stock in the Mergers. This would be in addition to income with respect to the Cash Consideration, which generally would constitute taxable income to a holder of the Company's common stock in an amount equal to the lesser of the amount of such cash and the holder's realized gain in its MasterCraft common stock if the Mergers qualified as a "reorganization" within the meaning of Section 368(a) of the Code.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

Marine Products approaches cybersecurity as an enterprise-wide risk and has created a Cybersecurity Risk and Compliance Program that outlines governance programs in place and outlines efforts undertaken to mitigate cyber risks. We have implemented policies and processes designed to detect, prevent, and respond to cybersecurity incidents. To help guide its overall program, Marine Products has adopted the Center for Internet Security ("CIS") framework, which provides prioritized guidance to help defend systems and networks against the most prevalent cyber-attacks as well as support a Zero Trust architecture.

The Company has several security policies that are published and accessible to all employees. All these policies are reviewed annually and updated as needed to address emerging risks or gaps in compliance. Marine Products has not experienced a material cybersecurity incident to date. If a material cybersecurity breach occurs, the incident will be reviewed to determine if further escalation is appropriate. Any incident assessed as potentially being or becoming material will immediately be escalated for further assessment and reported to designated members of our executive leadership team and if deemed necessary, the Board of Directors, outside legal counsel and our independent registered public accounting firm, as appropriate, including on materiality analyses and disclosure matters, to make the final materiality determination regarding disclosure and other compliance decisions. The Company has a periodic touchpoint with all third-party information technology service providers to identify materials risks from cybersecurity threats.

The Company maintains a cyber liability insurance policy that is designed to cover certain expenses, business losses, business interruption, and fines and penalties associated with data breach or other similar incidents. Cyber liability insurance also provides

coverage in the event of a ransomware attack. Our cyber risk coverage includes assistance in the timely remediation of material cyberattacks and incidents.

Our business strategy, results of operations and financial condition have not been materially affected by risks from cybersecurity threats, including as a result of previously identified cybersecurity incidents, but we cannot provide assurance that they will not be materially affected in the future by such risks or any future material incidents. For more information on our cybersecurity-related risks see Item 1A Risk Factors of this Annual Report on Form 10-K.

Governance

Role of the Board

On an annual basis, the Board reviews and approves the overall enterprise risk management approach and processes implemented by management to identify, assess, manage, and mitigate risk. The Board has delegated its responsibility for oversight of the Company's cybersecurity and information security framework and risk management to the Audit Committee. The Audit Committee receives information and updates at least quarterly and actively engages with senior leaders with respect to the effectiveness of the Company's cybersecurity and information security framework, data privacy, and risk management. In addition, the Audit Committee receives reports summarizing threat detection and mitigation plans, audits of internal controls, training and certification, and other cyber priorities and initiatives, as well as timely updates from senior leaders on material incidents relating to information systems security, including cybersecurity incidents. The Audit Committee includes members with experience in risk management including cybersecurity.

Role of Management

Company management has established a Cybersecurity Governance Committee that is comprised of the Information Technology Manager and senior members of management. The Committee meets periodically to discuss cybersecurity program updates and challenges, watch for potential threats from both external and internal sources, monitor compliance in existing or emerging business practices, and respond to stakeholder inquiries. The Information Technology department is comprised of professionals with extensive expertise and led by its manager with over 20 years of experience in network security, cybersecurity and enterprise risk management. The manager is continuously monitoring trends and stays current with the various cybersecurity threats and related mitigation opportunities. The Company periodically engages a third-party service provider to perform an external vulnerability scan of the Company network to identify known threats and to date no critical vulnerabilities have been identified during these assessments.

Item 2. Properties

Marine Products' corporate offices are in Atlanta, Georgia. These offices are currently shared with RPC and are leased. The monthly rent paid is allocated between Marine Products and RPC. Under this arrangement, Marine Products pays approximately \$4,600 per month in rent. Marine Products may cancel this arrangement at any time after giving a 30-day notice. If the Mergers are completed, this arrangement will be terminated prior to or as of the closing date.

Chaparral owns and maintains approximately 1,285,200 square feet of space utilized for manufacturing, research and development, warehouse, sales office and operations in Nashville, Georgia. In addition, the Company owns 83,000 square feet of manufacturing space in Valdosta, Georgia. Marine Products' total square footage under roof is allocated as follows: manufacturing — 729,900, research and development — 68,500, warehousing — 446,900, office and other — 122,900.

Item 3. Legal Proceedings

Marine Products is involved in litigation from time to time in the ordinary course of its business.

In addition, stockholders have filed and may continue to file lawsuits challenging the Mergers, which may name us, MasterCraft, members of our Board, members of the MasterCraft board, or others as defendants. No assurance can be made as to the outcome of such lawsuits, including the amount of costs associated with defending claims or any other liabilities that may be incurred in connection with the litigation of any claims. If plaintiffs are successful in obtaining an injunction prohibiting the parties from

completing the Mergers on the agreed-upon terms, such an injunction may delay the completion of the Mergers or may prevent the Mergers from being completed altogether.

Except as noted above, Marine Products does not believe that the ultimate outcome of such litigation will have a material adverse effect on its liquidity, financial condition or results of operations.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

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

Marine Products' common stock is listed for trading on the New York Stock Exchange under the symbol "MPX." As of February 13, 2026, there were 35,242,624 shares of common stock outstanding and approximately 383 record holders of our Company's common stock per our transfer agent. The number of record holders of our common stock does not include Depository Trust Company participants or beneficial owners holding shares through nominee names.

Issuer Purchases of Equity Securities

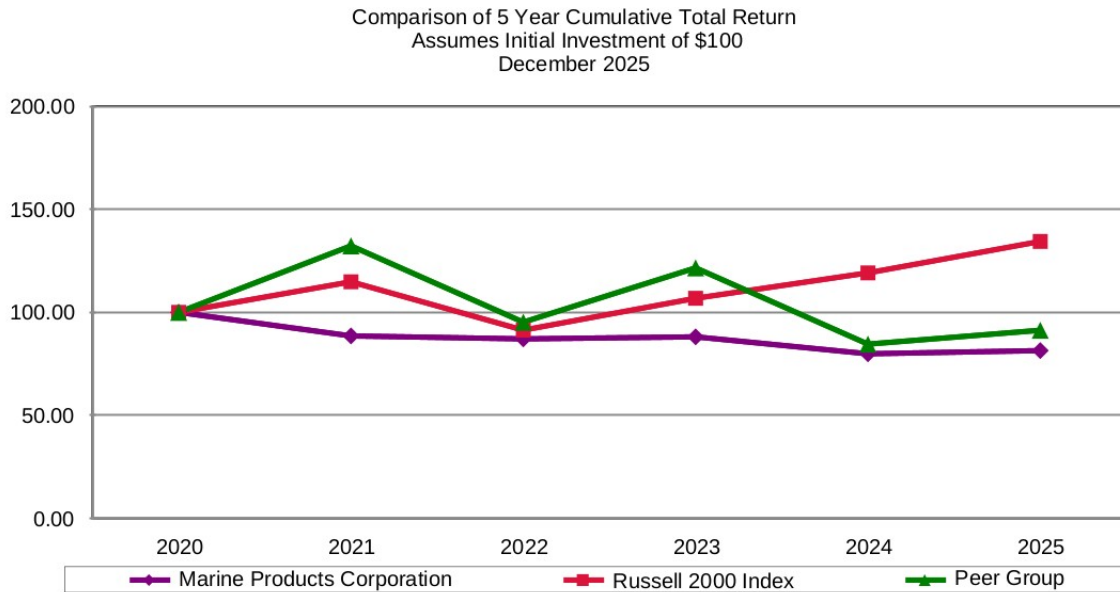
The Company has a stock buyback program initially adopted in 2001 and subsequently amended in 2013 and 2019 that authorized the repurchase of 8,250,000 shares, in the aggregate, in the open market. The Company did not repurchase any shares under this program in 2025 and 2024. There are 1,570,428 shares that remain available for repurchase as of December 31, 2025. The program does not have a predetermined expiration date. Pursuant to the Merger Agreement, the Company has agreed not to repurchase any shares of its common stock without MasterCraft's permission during the time period between the execution of the Merger Agreement and the completion of the Mergers.

Performance Graph

The following graph shows a five-year comparison of the cumulative total stockholder return based on the performance of the stock of the Company, assuming dividend reinvestment, as compared with both a broad equity market index and an industry or peer group index. The indices included in the following graph are the Russell 2000 Index ("Russell 2000") and a peer group which includes companies that are considered peers of the Company ("Peer Group"). The companies included in the Peer Group have been weighted according to each respective issuer's stock market capitalization at the end of each year. The companies in the Peer Group are Brunswick Corporation, MarineMax, Inc., Malibu Boats, Inc. and MasterCraft Boat Holdings, Inc.

The Company was a component of the Russell 2000 during 2025. The Russell 2000 is a stock index measuring the performance of the small-cap segment of the US equity universe. The components of the index had a weighted average market capitalization in 2025 of \$4.6 billion, and a median market capitalization of \$987 million. The Russell 2000 is used because the Company is a component of the Russell 2000, and because the Russell 2000 is a stock index representing small capitalization U.S. stocks.

The graph below assumes the value of \$100.00 invested on December 31, 2020.



Company/Index	December 31,					
	2020	2021	2022	2023	2024	2025
Marine Products Corporation Common Stock	100	89	87	88	80	81
Russell 2000 Index	100	115	91	107	119	134
Peer Group	100	132	95	122	85	91

Item 6. Reserved

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

Presentation

The following discussion should be read in conjunction with the Consolidated Financial Statements included elsewhere in this document. See also "Forward-Looking Statements" in Part I included in this Form 10-K. Discussions of 2024 items and year-to-year comparisons of 2024 and 2023 that are not included in this Form 10-K can be found in "Management’s Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2024, which Item is incorporated herein by reference.

Overview and Outlook

On February 5, 2026, we entered into the Merger Agreement with MasterCraft, which marks an exciting new chapter for Chaparral and Robalo, and is a testament to the hard work and dedication of our employees. We believe that MasterCraft will be a great steward of the combined business and an enthusiastic partner to our exceptional dealers and suppliers. In addition, the combination is structured to enable stockholders to continue to participate in the strength and upside potential of the combined

company and benefit from a stronger institutional following. Details of the Mergers are further described in the Note titled Subsequent Events in the Notes to the Consolidated Financial Statements.

Consolidated net sales increased 3% to \$244.4 million in 2025 due primarily to a 9% increase in positive price/mix, partially offset by a 6% decrease in unit sales to dealers. Sales growth trends improved through the year as our field inventory position improved. Gross profit increased to \$46.8 million in 2025, from \$45.5 million in 2024. Operating income decreased to \$14.0 million in 2025, from \$18.3 million in the prior year. Net income decreased to \$11.4 million in 2025, from \$17.9 million in the prior year. Diluted earnings per share was \$0.32 for 2025, down from \$0.50 for 2024. Interest rates have remained elevated, and any sustained decrease could be another catalyst for dealers and consumers to increase spending. The Company continues to focus on reducing costs and aligning production to the expected demand level.

Higher selling prices for boats following rapid inflation and higher interest rates in recent years have both contributed to higher costs of boat ownership, curbing consumer demand following several years of high post-pandemic sales. We have adjusted production levels to more closely align with expected demand; however, dealers remain cautious with their field inventory levels due to lower retail demand compared to recent years and higher financing costs.

Our financial results generally depend on a number of factors, including economic trends, demand for discretionary products, the impact of interest rates on consumer financing options and dealer inventory carrying costs, the effectiveness of the Company's incentive programs, the success of new model launches, and the Company's ability to manage manufacturing costs. As noted above, we also expect to incur substantial costs in connection with the Mergers. While interest rates began to decrease during 2024 and in 2025, the Company believes it may take further interest rate relief to drive increased consumer appetite for new boat purchases. However, the impact of tariffs on prices of imported manufacturing materials and components could contribute to inflation and limit further interest rate reductions. The Company actively monitors dealer inventories and order patterns for changes in demand and adjusts production levels accordingly.

How We Evaluate our Operations

We use Earnings per share, Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), EBITDA margin and Free cash flow, non-GAAP financial measures, to evaluate and analyze the Company's operating performance. We believe that presenting EBITDA and EBITDA margin enables a comparison of our operating performance consistently over various time periods without regard to changes in our capital structure. In addition, we believe that free cash flow, which measures our ability to generate additional cash from our business operations, is an important financial measure for use in evaluating Marine Products' liquidity. Marine Products' definition of free cash flow is limited, in that it does not represent residual cash flows available for discretionary expenditures, since the measure does not deduct the payments required for debt service and other contractual obligations or payments made for business acquisitions, if any.

EBITDA and EBITDA margin have limitations as analytical tools and should not be considered as an alternative to net income, operating income, net income margin, or any other measure of financial performance presented in accordance with accounting principles generally accepted in the United States of America (GAAP). Similarly, free cash flow should be considered in addition to, rather than as a substitute for, GAAP presentation of net cash provided by operating, investing and financing activities, as a measure of our liquidity.

See section titled Non-GAAP Financial Measures for a reconciliation of EBITDA to net income and EBITDA margin to net income margin, the most directly comparable financial measures calculated and presented in accordance with GAAP and a reconciliation of Free Cash Flow to Operating Cash Flow, the most directly comparable financial measure calculated and presented in accordance with GAAP.

Results of Operations

(in thousands, except per share and number of boats sold)	Years ended December 31,		
	2025	2024	2023
Net sales	\$ 244,419	\$ 236,555	\$ 383,729
Cost of goods sold	197,644	191,057	293,350
Selling, general and administrative expenses	32,747	27,376	43,213
Gain on disposition of assets, net	—	(144)	(2,036)
Interest income, net	1,737	2,876	2,860
Income tax provision	4,382	3,289	10,367
Net income	\$ 11,383	\$ 17,853	\$ 41,695
Net income margin	4.7 %	7.5 %	10.9 %
Earnings per share	\$ 0.32	\$ 0.50	\$ 1.21
Net cash provided by operating activities	\$ 16,464	\$ 29,526	\$ 56,846
Total number of boats sold	2,354	2,492	4,139
Average gross selling price per boat	\$ 93.6	\$ 85.7	\$ 82.4
Non-GAAP financial measures:			
EBITDA	\$ 17,166	\$ 21,052	\$ 51,618
EBITDA margin	7.0 %	8.9 %	13.5 %
Free cash flow	\$ 14,923	\$ 24,930	\$ 46,672

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Net Sales. Marine Products' net sales increased by \$7.9 million, or 3.3% to \$244.4 million in 2025 compared to \$236.6 million in 2024. The change in net sales in 2025 compared to the prior year was primarily due to a positive price/mix change of 9%, partially offset by a 6% decrease in unit sales volume. Sales growth trends improved through the year as our field inventory position improved, and we were better able to match retail demand with wholesale shipments. The Company's field unit inventory at the end of the fourth quarter of 2025 was approximately 5% lower than the fourth quarter of 2024.

In 2025, net sales outside of the United States accounted for 4.5% of net sales compared to 5.6% of net sales in the prior year.

Cost of Goods Sold. Cost of goods sold increased 3.4% in 2025 compared to 2024 due to higher materials expense and labor costs. As a percentage of net sales, cost of goods sold increased to 80.9% in 2025 compared to 80.8% in 2024.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased by \$5.4 million or 19.6% in 2025 compared to 2024. This increase was largely due to costs that typically vary with sales such as warranty cost adjustments, commissions and advertising along with R&D investments and a \$1.0 million credit related to a capital project recorded in the fourth quarter of 2024 that did not recur in 2025. Selling, general and administrative expenses also include \$0.5 million of transaction costs, incurred in the fourth quarter of 2025, related to the Mergers. Selling, general and administrative expenses were 13.4% of net sales in 2025 compared to 11.6% in 2024.

Interest Income, net. Interest income, net decreased to \$1.7 million in 2025 from \$2.9 million in 2024 due to lower cash balances and lower interest rates. Marine Products generated interest income from investments of excess cash in money market funds. Additionally, interest expense is recorded for the revolving credit facility, primarily related to fees on the unused portion of the facility.

Income Tax Provision. Income tax provision was \$4.4 million in 2025 compared to \$3.3 million in the prior year. The effective provision rate was 27.8% in 2025, compared to a 15.6% effective provision rate for the prior year. The increase in the effective tax rate in 2025 compared to the prior year is primarily due to unfavorable permanent adjustments, mainly driven by the liquidation of company-owned life insurance policies that were part of the dissolution of a non-qualified supplemental retirement income plan. In

addition, the 2024 effective tax rate was unusually low because of the Investment Tax Credit related to the Company's solar panel installation at its manufacturing site in Nashville, Georgia.

Net income and diluted earnings per share. Net income decreased to \$11.4 million in 2025, or \$0.32 diluted earnings per share, from net income of \$17.9 million in 2024, or \$0.50 diluted earnings per share. Net income margin was 4.7% in 2025 compared to 7.5% in 2024. The decline in 2025 was primarily due to lower revenues, coupled with typical costs that vary with sales and higher R&D investments, as well as the lack of a favorable credit that occurred in the fourth quarter of 2025 but did not repeat in the fourth quarter of 2025.

EBITDA and EBITDA margin. EBITDA was \$17.2 million in 2025 compared to \$21.1 million in 2024. EBITDA margin was 7.0% in 2025 compared to 8.9% in 2024. EBITDA was primarily lower due to higher SG&A expenses outlined above and a \$1.0 million credit related to a capital project recorded in the fourth quarter of 2024 that did not recur in 2025.

Net cash provided by operating activities and Free cash flow. Net cash provided by operating activities and Free cash flow decreased in 2025 primarily due to lower net income coupled with unfavorable working capital changes. Free cash flow was also positively impacted by a decrease in capital expenditures in 2025 compared to the prior year.

Non-GAAP Financial Measures

Reconciliation of GAAP and non-GAAP Financial Measures

Marine Products has disclosed non-GAAP financial measures of EBITDA, EBITDA margin and free cash flow in the Results of Operations section above. These measures should not be considered in isolation or as a substitute for performance or liquidity measures prepared in accordance with GAAP.

A non-GAAP financial measure is a numerical measure of financial performance, financial position or cash flows that either 1) excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statement of operations, balance sheet or statement of cash flows, or 2) includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented.

The following are reconciliations of these non-GAAP measures with their most directly comparable GAAP measures.

(Unaudited) (in thousands)	Years ended December 31,		
	2025	2024	2023
Reconciliation of Net Income to EBITDA			
Net income	\$ 11,383	\$ 17,853	\$ 41,695
Adjustments:			
Add: Income tax provision	4,382	3,289	10,367
Add: Depreciation and amortization	3,138	2,786	2,416
Less: Interest income, net	1,737	2,876	2,860
EBITDA	\$ 17,166	\$ 21,052	\$ 51,618
Net sales	\$ 244,419	\$ 236,555	\$ 383,729
Net income margin ⁽¹⁾	4.7 %	7.5 %	10.9 %
EBITDA margin ⁽¹⁾	7.0 %	8.9 %	13.5 %

(1) Net income margin is calculated as net income divided by net sales. EBITDA margin is calculated as EBITDA divided by net sales.

(Unaudited)

Years ended December 31,

(in thousands)

	2025	2024	2023
Reconciliation of Operating Cash Flow to Free Cash Flow			
Net cash provided by operating activities	\$ 16,464	\$ 29,526	\$ 56,846
Capital expenditures	(1,541)	(4,596)	(10,174)
Free cash flow	\$ 14,923	\$ 24,930	\$ 46,672

Liquidity and Capital Resources

Cash and Cash Flows

The Company's cash and cash equivalents were \$43.5 million at December 31, 2025, \$52.4 million at December 31, 2024 and \$72.0 million at December 31, 2023. The following table sets forth the historical cash flows for the twelve months ended December 31:

	Years ended December 31,		
(in thousands)	2025	2024	2023
Net cash provided by operating activities	\$ 16,464	\$ 29,526	\$ 56,846
Net cash used for investing activities	(4,681)	(4,433)	(7,871)
Net cash used for financing activities	(20,650)	(44,666)	(20,194)

Cash provided by operating activities in 2025 decreased by \$13.1 million compared to 2024, primarily due to the decrease in net income coupled with net unfavorable working capital adjustments. Working capital was a use of cash of \$7.8 million in 2025 compared to a source of cash of \$6.0 million in the prior year. In the current period, working capital was a use of cash due primarily to a net unfavorable change of \$4.7 million in inventory, coupled with unfavorable changes in other components of working capital. The changes in inventory and other components of working capital were consistent with increased production level in the fourth quarter of 2025, as well as the timing of payments.

Cash used for investing activities in 2025 increased \$0.3 million in comparison to 2024 due to the distribution and proceeds from a benefit plan financing arrangement, partially offset by lower capital expenditures in 2025.

Cash used for financing activities in 2025 decreased \$24.0 million compared to 2024 primarily due to a special dividend paid in the second quarter of 2024.

Financial Condition and Liquidity

The Company believes that the liquidity provided by existing cash, cash equivalents, its overall strong capitalization and cash generated by operations will be sufficient to meet the Company's requirements for at least the next twelve months. The Company's decisions about the amount of cash to be used for investing and financing purposes are influenced by its capital position and the expected amount of cash to be provided by operations and are currently subject to limitations imposed by the Merger Agreement during the time period between the execution of the Merger Agreement and the completion of the Mergers. The Company also has a revolving line of credit facility, described below, to increase its flexibility for managing its investment in its working capital or for funding other purposes. However, the Merger Agreement generally caps the amount of indebtedness that the Company can incur outside the ordinary course of business at \$1 million during the time period between the execution of the Merger Agreement and the completion of the Mergers except as specifically approved by MasterCraft.

The revolving credit agreement with Truist Bank provides a credit facility of \$20.0 million which is scheduled to mature on November 12, 2026. The facility includes (i) a \$5.0 million sublimit for swingline loans, (ii) a \$2.5 million aggregate sublimit for all letters of credit, and (iii) a committed accordion which can increase the aggregate commitments by the greater of \$35 million and adjusted EBITDA (as calculated under the Credit Agreement) over the most recently completed twelve-month period. The revolving credit facility includes a full and unconditional guarantee by the Company and its consolidated domestic subsidiaries and is subject to certain financial and other customary covenants. As of December 31, 2025, the Company had no outstanding borrowings under the revolving credit agreement.

The Company has a shelf registration statement on Form S-3 filed with the Securities and Exchange Commission (SEC) that expires on May 5, 2028, which permits it to offer common stock, preferred stock, warrants, rights, depositary shares, purchase contracts and units containing two or more of the foregoing, in one or more offerings in an aggregate amount of up to \$150 million. The Form S-3 is intended to provide us the flexibility to conduct registered sales of our securities, subject to market conditions and our future capital needs. However, the Company's ability to issue securities is currently restricted by the Merger Agreement during the time period between the execution of the Merger Agreement and the completion of the Mergers except as specifically approved by MasterCraft.

In the third quarter of 2025, MPC implemented the provisions of Public Law 119-21, commonly referred to as the One Big, Beautiful Bill Act ("OBBBA"), which resulted in a lower tax obligation due to the 100% bonus depreciation on capital expenditures placed in service after January 19, 2025 and immediate expensing of all domestic research and development costs, that were previously amortized over five years. Implementation of the OBBBA provisions did not have an impact on our effective rate or the Income tax provision in our Consolidated Statements of Operations for the year ended December 31, 2025.

Cash Requirements

If the Mergers are not completed during 2026, management expects that capital expenditures during 2026 will be approximately \$1 million to \$5 million, of which a portion is expected to be made prior to the completion of the Mergers; however, the Merger Agreement sets specific limits the Company's ability to make unbudgeted capital expenditures during the time period between the execution of the Merger Agreement and the completion of the Mergers except as specifically approved by MasterCraft.

In connection with the Mergers, we expect to incur transaction-related costs, including fees for financial and legal advisors and proxy solicitors. We must pay substantially all of these costs and expenses whether or not the Mergers are completed. We expect our existing cash balances together with cash generated from operations will be sufficient to fund these costs. Actual costs may differ from these estimates depending on the timing of the closing, regulatory requirements, or other unforeseen developments. In addition, as described under "Item 1. Business – Proposed Mergers with MasterCraft," the Merger Agreement could require us to pay a termination fee of \$11.6 million, in cash, under certain specified circumstances.

The Company adopted a stock buyback program in 2001 that as subsequently amended authorized the aggregate repurchase of 8,250,000 shares in the open market. The Company did not repurchase any shares under this program in 2025 and 2024. There are 1,570,428 shares that remain available for repurchase as of December 31, 2025, but the Merger Agreement generally prohibits any further repurchases under this program during the time period between the execution of the Merger Agreement and the completion of the Mergers except as specifically approved by MasterCraft. The program by its terms does not have a predetermined expiration date.

On January 27, 2026, the Board of Directors declared a regular quarterly cash dividend of \$0.14 per common share payable March 10, 2026 to stockholders of record at the close of business on February 10, 2026. Subject to industry conditions and Marine Products' earnings, financial condition, and other relevant factors, the Company expects to continue to pay regular quarterly cash dividends to common stockholders until closing of the Mergers. However, the Merger Agreement allows regular, quarterly dividends but limits them to a cap of \$0.14 per Company common share during the time period between the execution of the Merger Agreement and the completion of the Mergers except as specifically approved by MasterCraft.

The Company has entered into agreements with third-party floor plan lenders where it has agreed, in the event of default by a qualifying dealer, to repurchase MPC boats repossessed from the dealer. These arrangements are subject to maximum repurchase amounts and the associated risk is mitigated by the value of the boats repurchased. The Company had no material repurchases of dealer inventory in 2025 and 2024. See further information regarding repurchase obligations in the note titled Commitments and Contingencies in the Notes to the Consolidated Financial Statements.

Contractual Obligations

The Company's obligations and commitments that require future payments include our credit facility, certain non-cancelable operating leases, amounts related to the usage of corporate aircraft, and other long-term liabilities. For additional information with respect to MPC's contractual obligations, see notes titled Notes Payable to Banks, Commitments and Contingencies, and Leases in the Notes to the Consolidated Financial Statements. In addition, as described under "Item 1. Business – Proposed Mergers with MasterCraft," the Merger Agreement would require us to pay a termination fee of \$11.6 million, in cash, under certain specified

circumstances, including upon a change of recommendation by our board of directors or upon termination of the Merger Agreement in order to accept a "superior proposal."

Fair Value Measurements

The Company's assets and liabilities measured at fair value are classified in the fair value hierarchy (Level 1, 2 or 3) based on the inputs used for valuation. Assets and liabilities that are traded on an exchange with a quoted price are classified as Level 1. Assets and liabilities that are valued using significant observable inputs in addition to quoted market prices are classified as Level 2. The Company currently has no assets or liabilities measured on a recurring basis that are valued using unobservable inputs and therefore no assets or liabilities measured on a recurring basis are classified as Level 3. Prior to the dissolution of the Supplemental Executive Retirement Plan ("SERP") in the fourth quarter of 2025, SERP investments were measured at net asset value, which was computed using inputs such as cost, discounted future cash flows, independent appraisals and market based comparable data or net asset values calculated by the investment fund which are not publicly available.

Off Balance Sheet Arrangements

To assist dealers in obtaining financing for the purchase of their boats for inventory, the Company has entered into agreements with various third-party floor plan lenders whereby the Company guarantees varying amounts of debt for qualifying dealers on boats in dealer inventory. The Company's obligation under these guarantees becomes effective in the case of a default under the financing arrangement between the dealer and the third-party lender. The agreements provide for the return of repossessed boats to the Company in new and unused condition, subject to normal wear and tear, in exchange for the Company's assumption of the debt obligation on those boats, as contractually defined by each lender. The Company had no material repurchases of dealer inventory under contractual agreements during 2025 and 2024. Pursuant to the Merger Agreement we have agreed to limit repurchases pursuant to floorplan financing arrangements to \$500,000 individually or \$1,000,000 in the aggregate during the time period between the execution of the Merger Agreement and the completion of the Mergers except as specifically approved by MasterCraft.

Management continues to monitor the risk of additional defaults and resulting repurchase obligations based primarily upon information provided by the third-party floor plan lenders and to adjust the guarantee liability at the end of each reporting period based on information reasonably available at that time. As of December 31, 2025, the Company believes the fair value of its guarantee liability is immaterial. See further information regarding repurchase obligations in the note titled Commitments and Contingencies in the Notes of the Consolidated Financial Statements.

The Company currently has an agreement with one of the floor plan lenders whereby the contractual repurchase limit is based on the highest of the following criteria: (i) a specified percentage of the average net receivables financed by the floor plan lender for our dealers, (ii) the total average net receivables financed by the floor plan lender for our two highest dealers for the three highest monthly receivables balances during the past twelve months, or (iii) \$8.0 million, less repurchases during the prior 12 month period. As defined by the agreement, the repurchase limit for this lender was \$9.3 million as of December 31, 2025. Also, the Company has an agreement with an additional floorplan lender whereby the contractual repurchase limit is based on the highest of the following criteria: (i) a specified percentage of the average net receivables financed by the floor plan lender for our dealers, or (ii) \$18.8 million through June 30, 2026, reducing to \$3.0 million beginning July 1, 2026. As defined by the agreement, the repurchase limit for this lender was \$18.8 million as of December 31, 2025. Lastly, the Company has contractual repurchase agreements with other lenders with an aggregate maximum repurchase obligation of \$1.5 million with various expiration and cancellation terms of less than one year, for an aggregate repurchase obligation with all floor plan financing institutions of \$29.6 million as of December 31, 2025. Although the Company has these agreements with financial institutions, in certain situations, the Company may decide for business reasons to repurchase boats in excess of these contractual amounts. However, as noted above, pursuant to the Merger Agreement we have agreed to limit repurchases pursuant to floorplan financing arrangements to \$500,000 individually or \$1,000,000 in the aggregate during the time period between the execution of the Merger Agreement and the completion of the Mergers except as specifically approved by MasterCraft.

Related Party Transactions

See the note titled Related Party Transactions in the Notes to the Consolidated Financial Statements for a description of certain related party transactions.

Critical Accounting Estimates

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, which require significant judgment by management in selecting the appropriate assumptions for calculating accounting estimates. These judgments are based on our historical experience, terms of existing contracts, trends in the industry, and information available from other outside sources, as appropriate. Senior management has discussed the development, selection and disclosure of its critical accounting policies that require significant judgments or estimates with the Audit Committee of our Board of Directors. The Company believes that of its significant accounting policies and estimates, the following may involve a higher degree of judgment and complexity.

Sales incentives and discounts

The Company sells its boats through its network of independent dealers and recognizes revenues from contracts with its customers based on the consideration received in exchange for the goods sold. The Company records incentives as a reduction of sales. Using historical trends and management estimates, adjusted for current changes, the Company estimates the amount of incentives that will be paid in the future on boats sold and accrues an estimated liability. The Company offers various incentives that promote sales to dealers and, to a lesser extent, retail customers. These incentives are designed to encourage timely replenishment of dealer inventories after peak selling seasons, stabilize manufacturing volumes throughout the year, and improve production model mix. The dealer incentive programs are a combination of annual volume commitment discounts, and additional discounts at the time of invoice for those dealers who do not finance their inventory through specified floor plan financing agreements. The annual dealer volume discounts are primarily based on July 1 through June 30 model year purchases. In addition, the Company offers at various times other time-specific or model-specific incentives.

The factors that complicate estimating the cost of incentives are the ability to estimate incentive payments of the Company, the volume and timing of inventory financed by specific dealers, and the notification of boats sold subject to certain incentives. Settlement of the incentives generally occurs from three to twelve months after the sale. The Company regularly analyzes the historical incentive trends and adjusts recorded liabilities for changes in trends and terms of incentive programs. Total cost of incentives recorded in net sales as a percentage of gross sales was 9.1% in 2025, 9.2% in 2024 and 7.3% in 2023. A 0.25 percentage point change in cost of incentives as a percentage of gross sales during 2025 would have increased or decreased net sales, gross margin and operating income by approximately \$0.5 million.

Warranty costs

The Company records as part of selling, general and administrative expenses an experience-based estimate of the future warranty costs to be incurred when sales are recognized. The Company evaluates its warranty obligation for each product line on a model year basis. The Company provides warranties against manufacturing defects for various components of the boats, primarily the fiberglass deck and hull, with warranty periods extending up to a lifetime. Warranty costs, if any, on other components of the boats are generally absorbed by the original component manufacturer. Warranty costs can vary depending upon the size and number of components in the boats sold, the pre-sale warranty claims, and the desired level of customer service. Additionally, we focus on high quality manufacturing programs and processes, including actively monitoring the quality of our component suppliers and managing the dealer and customer service warranty experience and reimbursements. Our estimated warranty obligation is based upon the warranty terms and the Company's enforcement of those terms over time, manufacturing defects or issues, repair costs, and the volume and mix of boat sales. The estimate of warranty costs is regularly analyzed and is adjusted based on several factors including the actual claims that occur. Warranty expense as a percentage of net sales was 1.9% in 2025, 1.5% in 2024, and 1.5% in 2023. A 0.10 percentage point increase in the estimated warranty expense as a percentage of net sales during 2025 would have increased selling, general and administrative expenses and reduced operating income by approximately \$0.2 million.

Impact of Recent Accounting Pronouncements:

See the note titled Significant Accounting Policies in the Notes to the Consolidated Financial Statements for a description of recent accounting pronouncements, including the expected dates of adoption and expected effects on results of operations and financial condition, if known.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The Company is subject to interest rate risk exposure through borrowings on its revolving credit agreement. As of December 31, 2025, there were no outstanding interest-bearing advances under our credit facility which bore interest at a floating rate.

Marine Products has no derivative financial instruments which could expose the Company to significant market risk. Marine Products maintains investments primarily in money market funds which are not subject to material interest rate risk exposure. Marine Products does not expect any material changes in market risk exposures or how those risks are managed prior to the completion of the Mergers.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Stockholders of Marine Products Corporation:

The management of Marine Products Corporation is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Marine Products Corporation maintains a system of internal accounting controls designed to provide reasonable assurance, at a reasonable cost, that assets are safeguarded against loss or unauthorized use and that the financial records are adequate and can be relied upon to produce financial statements in accordance with accounting principles generally accepted in the United States of America. The internal control system is augmented by written policies and procedures, an internal audit program and the selection and training of qualified personnel. This system includes policies that require adherence to ethical business standards and compliance with all applicable laws and regulations.

There are inherent limitations to the effectiveness of any controls system. A controls system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the controls system are met. Also, no evaluation of controls can provide absolute assurance that all control issues and any instances of fraud, if any, within the Company will be detected. Further, the design of a controls system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of the design and operations of our internal control over financial reporting, as of December 31, 2025 based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management's assessment is that Marine Products Corporation maintained effective internal control over financial reporting as of December 31, 2025.

The independent registered public accounting firm, Grant Thornton LLP, has audited the consolidated financial statements as of and for the year ended December 31, 2025, and has also issued their report on the effectiveness of the Company's internal control over financial reporting, included in this report on page 36.

/s/ Ben M. Palmer
Ben M. Palmer
President and Chief Executive Officer

/s/ Michael L. Schmit
Michael L. Schmit
Vice President, Chief Financial Officer and Corporate Secretary

Atlanta, Georgia
February 27, 2026

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Marine Products Corporation

Opinion on internal control over financial reporting

We have audited the internal control over financial reporting of Marine Products Corporation (a Delaware corporation) and subsidiaries (the "Company") as of December 31, 2025, based on criteria established in the 2013 *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in the 2013 *Internal Control-Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Company as of and for the year ended December 31, 2025, and our report dated February 27, 2026 expressed an unqualified opinion on those financial statements.

Basis for opinion

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

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and limitations of internal control over financial reporting

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

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

/s/ GRANT THORNTON LLP

Atlanta, Georgia
February 27, 2026

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Marine Products Corporation

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of Marine Products Corporation (a Delaware corporation) and subsidiaries (the "Company") as of December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2025, and the related notes and financial statement schedule included under Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in the 2013 Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and our report dated February 27, 2026 expressed an unqualified opinion.

Basis for opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matter

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

Accrued future warranty costs

As described further in note 1 to the consolidated financial statements, the Company provides a lifetime limited structural hull warranty, a five-year structural deck warranty, and a one-year limited warranty to the original owner for all boats sold to dealers. The Company estimates the cost of future warranty claims at the time of sale of the boat based on historical claims experience. The estimate may subsequently be adjusted based on qualitative considerations, such as identified manufacturing defects. We identified the accrued future warranty costs ("warranty liability") as a critical audit matter.

The principal consideration for our determination that the warranty liability is a critical audit matter is the higher degree of estimation uncertainty related to the Company's warranty liability with respect to anticipated warranty claims. The estimation uncertainty and subjectivity in determining the liability resulted in the need for significant auditor judgment when assessing the reasonableness of the estimate.

Our audit procedures related to this matter included the following, among others:

- We tested the design and operating effectiveness of internal controls over management's estimation of the warranty liability, including the review of historical warranty claims and projected future warranty claims.
- We tested the process used to determine the warranty liability, which included evaluating the completeness and accuracy of the historical warranty claims data, sales data, and historical warranty payments made by the Company.
- We evaluated the reasonableness of management's estimate by analyzing the sensitivity of changes in the estimated future warranty claims and the resulting impact.
- We compared the Company's prior year warranty liability related to future warranty claims in the current year to actual claims paid in the current year to evaluate the historical reasonableness of the Company's estimate and evaluate management's ability to accurately estimate.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2004.

Atlanta, Georgia
February 27, 2026

CONSOLIDATED BALANCE SHEETS
MARINE PRODUCTS CORPORATION AND SUBSIDIARIES
(in thousands except share information)

December 31,	2025	2024
ASSETS		
Cash and cash equivalents	\$ 43,512	\$ 52,379
Accounts receivable, net	6,865	4,176
Inventories	54,691	49,960
Income taxes receivable	2,208	439
Prepaid expenses and other current assets	3,302	3,040
Total current assets	<u>110,578</u>	<u>109,994</u>
Property, plant and equipment, net	22,650	24,247
Goodwill	3,308	3,308
Other intangibles, net	465	465
Deferred income taxes	5,217	9,729
Retirement plan assets	—	18,489
Other long-term assets	5,014	5,015
Total assets	<u>\$ 147,232</u>	<u>\$ 171,247</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Accounts payable	\$ 6,648	\$ 5,499
Accrued expenses and other liabilities	13,960	13,425
Total current liabilities	<u>20,608</u>	<u>18,924</u>
Retirement plan liabilities	—	21,667
Other long-term liabilities	1,659	1,653
Total liabilities	<u>22,267</u>	<u>42,244</u>
Commitments and contingencies (Note 10)		
Stockholders' Equity		
Preferred stock, \$0.10 par value, 1,000,000 shares authorized, none issued	—	—
Common stock, \$0.10 par value, 74,000,000 shares authorized, issued and outstanding – 34,998,034 shares in 2025 and 34,707,304 shares in 2024	3,500	3,471
Capital in excess of par value	—	—
Retained earnings	121,465	125,532
Total stockholders' equity	<u>124,965</u>	<u>129,003</u>
Total liabilities and stockholders' equity	<u>\$ 147,232</u>	<u>\$ 171,247</u>

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF OPERATIONS
MARINE PRODUCTS CORPORATION AND SUBSIDIARIES
(in thousands except per share data)

Year ended December 31,	2025	2024	2023
Net sales	\$ 244,419	\$ 236,555	\$ 383,729
Cost of goods sold	197,644	191,057	293,350
Gross profit	46,775	45,498	90,379
Selling, general and administrative expenses	32,747	27,376	43,213
Gain on disposition of assets, net	—	(144)	(2,036)
Operating income	14,028	18,266	49,202
Interest income, net	1,737	2,876	2,860
Income before income taxes	15,765	21,142	52,062
Income tax provision	4,382	3,289	10,367
Net income	\$ 11,383	\$ 17,853	\$ 41,695
Earnings per share			
Basic	\$ 0.32	\$ 0.50	\$ 1.21
Diluted	0.32	0.50	1.21

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
MARINE PRODUCTS CORPORATION AND SUBSIDIARIES
(in thousands)

Year ended December 31,	2025	2024	2023
Net income	\$ 11,383	\$ 17,853	\$ 41,695
Other comprehensive income, net of taxes:			
Pension settlement and adjustment	—	—	1,995
Comprehensive income	<u>\$ 11,383</u>	<u>\$ 17,853</u>	<u>\$ 43,690</u>

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
MARINE PRODUCTS CORPORATION AND SUBSIDIARIES
(in thousands)

	Common Stock		Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount				
Balance, December 31, 2022	34,218	\$ 3,422	\$ —	\$ 122,954	\$ (1,995)	\$ 124,381
Stock issued for stock incentive plans, net	318	32	3,679	—	—	3,711
Stock purchased and retired	(69)	(7)	(3,679)	2,776	—	(910)
Net income	—	—	—	41,695	—	41,695
Pension adjustment, net of taxes	—	—	—	—	1,995	1,995
Cash dividends (\$0.56 per share)	—	—	—	(19,284)	—	(19,284)
Balance, December 31, 2023	34,467	\$ 3,447	\$ —	\$ 148,141	\$ —	\$ 151,588
Stock issued for stock incentive plans, net	328	33	4,195	—	—	4,228
Stock purchased and retired	(88)	(9)	(4,195)	3,271	—	(933)
Net income	—	—	—	17,853	—	17,853
Cash dividends (\$1.26 per share)	—	—	—	(43,733)	—	(43,733)
Balance, December 31, 2024	34,707	\$ 3,471	\$ —	\$ 125,532	\$ —	\$ 129,003
Stock issued for stock incentive plans, net	406	41	5,188	—	—	5,229
Stock purchased and retired	(115)	(12)	(5,188)	4,145	—	(1,055)
Net income	—	—	—	11,383	—	11,383
Cash dividends (\$0.56 per share)	—	—	—	(19,595)	—	(19,595)
Balance, December 31, 2025	<u>34,998</u>	<u>\$ 3,500</u>	<u>\$ —</u>	<u>\$ 121,465</u>	<u>\$ —</u>	<u>\$ 124,965</u>

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
MARINE PRODUCTS CORPORATION AND SUBSIDIARIES
(in thousands)

Year ended December 31,	2025	2024	2023
OPERATING ACTIVITIES			
Net income	\$ 11,383	\$ 17,853	\$ 41,695
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	3,138	2,786	2,416
Stock-based compensation expense	5,229	4,228	3,711
Gain on disposition of assets, net	—	(144)	(2,036)
Deferred income tax benefit	4,512	(1,139)	(3,126)
Pension settlement loss	—	—	2,363
(Increase) decrease in assets:			
Accounts receivable	(2,689)	(1,701)	2,865
Income taxes receivable	(1,769)	(78)	(333)
Inventories	(4,731)	11,651	11,404
Current retirement plan assets	(1,651)	—	—
Prepaid expenses and other current assets	(262)	(193)	792
Other long-term assets	(561)	(3,767)	(5,658)
Increase (decrease) in liabilities:			
Accounts payable	1,149	(572)	(2,179)
Current retirement plan liabilities	1,603	—	—
Accrued expenses and other liabilities	532	(3,071)	1,130
Other long-term liabilities	581	3,673	3,802
Net cash provided by operating activities	16,464	29,526	56,846
INVESTING ACTIVITIES			
Capital expenditures	(1,541)	(4,596)	(10,174)
Proceeds from benefit plan financing arrangement	20,715	—	—
Distribution from benefit plan financing arrangement	(23,855)	—	—
Proceeds from sale of assets	—	163	2,303
Net cash used for investing activities	(4,681)	(4,433)	(7,871)
FINANCING ACTIVITIES			
Payment of dividends	(19,595)	(43,733)	(19,284)
Cash paid for common stock purchased and retired	(1,055)	(933)	(910)
Net cash used for financing activities	(20,650)	(44,666)	(20,194)
Net (decrease) increase in cash and cash equivalents	(8,867)	(19,573)	28,781
Cash and cash equivalents at beginning of period	52,379	71,952	43,171
Cash and cash equivalents at end of period	\$ 43,512	\$ 52,379	\$ 71,952
Supplemental information:			
Income tax payments, net	\$ 1,754	\$ 4,476	\$ 13,911

The accompanying notes are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Marine Products Corporation and Subsidiaries
Years ended December 31, 2025, 2024 and 2023

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation and Presentation

The consolidated financial statements include the accounts of Marine Products Corporation (a Delaware corporation) and its wholly owned subsidiaries ("Marine Products", "MPC" or the "Company").

The consolidated financial statements included herein may not necessarily be indicative of the future results of operations, financial position and cash flows of Marine Products.

The Company has one reportable segment — its Powerboat Manufacturing business. The Company's results of operations and its financial condition are not significantly reliant upon any single customer or product model. No single dealer nor any group of dealers owned by the same parent company accounted for 10% or more of net sales during 2025, 2024 or 2023. Net sales to the Company's international dealers were approximately \$11.1 million in 2025, \$13.3 million in 2024, and \$22.5 million in 2023.

Common Stock

Marine Products is authorized to issue 74,000,000 shares of common stock, \$0.10 par value. Holders of common stock are entitled to receive dividends when, as, and if declared by our Board of Directors out of legally available funds. Each share of common stock is entitled to one vote on all matters submitted to a vote of stockholders. Holders of common stock do not have cumulative voting rights. In the event of any liquidation, dissolution or winding up of the Company, holders of common stock are entitled to ratable distribution of the remaining assets available for distribution to stockholders.

Preferred Stock

Marine Products is authorized to issue up to 1,000,000 shares of preferred stock, \$0.10 par value. As of December 31, 2025, there were no shares of preferred stock issued. The Board of Directors is authorized, subject to any limitations prescribed by law, to provide for the issuance of preferred stock as a class without series or, if so determined from time to time, in one or more series, and by filing a certificate pursuant to the applicable laws of the state of Delaware and to fix the designations, powers, preferences and rights, and exchangeability for shares of any other class or classes of stock. Any preferred stock to be issued could rank prior to the common stock with respect to dividend rights and rights on liquidation.

Share Repurchases

The Company records the cost of share repurchases in stockholders' equity as a reduction to common stock to the extent of par value of the shares acquired and the remainder is allocated to capital in excess of par value and retained earnings if capital in excess of par value is depleted. The Company tracks capital in excess of par value on a cumulative basis and for each reporting period, discloses the excess over capital in excess of par value as part of stock purchased and retired in the Consolidated Statements of Stockholders' Equity.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of sales and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates are used in the determination of sales, sales incentives and discounts, and warranty costs.

Sales Recognition

Marine Products recognizes revenues from contracts with its customers based on the amount of consideration it receives in exchange for the goods sold. See the note titled Net Sales for additional information.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Marine Products Corporation and Subsidiaries
Years ended December 31, 2025, 2024 and 2023

Advertising

Advertising expenses are charged to expense during the period in which they are incurred. Expenses associated with product brochures and other inventoriable marketing materials are deferred and amortized over the related model year which approximates the consumption of these materials. The Company had prepaid expenses related to unamortized product brochure costs of \$179 thousand as of December 31, 2025 and \$145 thousand as of December 31, 2024. Advertising expenses totaled approximately \$2.9 million in 2025, \$2.4 million in 2024 and \$2.3 million in 2023 and are recorded in selling, general and administrative expenses.

Cash and Cash Equivalents

Highly liquid investments with original maturities of three months or less when acquired are considered to be cash equivalents. The Company maintains its cash in bank accounts which, at times, may exceed federally insured limits. MPC maintains cash equivalents and investments in one or more large financial institutions, and MPC's policy restricts investment in any securities rated less than "investment grade" by national rating services.

Accounts Receivable

The majority of the Company's accounts receivable is due from dealers located in markets throughout the United States. Approximately 69% of Marine Products' domestic shipments are made pursuant to "floor plan financing" programs in which Marine Products' subsidiaries participate on behalf of their dealers with various major third-party financing institutions. Under these arrangements, a dealer establishes lines of credit with one or more of these third-party lenders for the purchase of boat inventory for sales to retail customers in their showroom or during boat show exhibitions. When a dealer purchases and takes delivery of a boat pursuant to a floor plan financing arrangement, it draws against its line of credit and the lender pays the invoice cost of the boat directly to Marine Products within approximately ten business days. The Company determines its credit loss allowance by considering a number of factors, including the length of time trade accounts receivable are past due, the Company's previous loss history, the customer's current ability to pay its obligation to the Company, and the condition of the general economy and the industry as a whole. The Company writes off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to the allowance.

Inventories

Inventories are stated at the lower of cost (determined on a first-in, first-out basis) and net realizable value and include material, labor and manufacturing overhead. When evidence exists that the net realizable value of inventory is lower than its cost, the Company recognizes the difference as a loss in earnings in the period in which it occurs. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation.

Property, Plant and Equipment

Property, plant and equipment is carried at cost. Depreciation is provided principally on a straight-line basis over the estimated useful lives of the assets. The cost of assets retired or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts in the year of disposal with the resulting gain or loss credited or charged to income. Expenditures for additions, major renewals, and betterments are capitalized while expenditures for routine maintenance and repairs are expensed as incurred. Depreciation expense on operating equipment used in production is included in cost of goods sold in the accompanying Consolidated Statements of Operations. All other depreciation is included in selling, general and administrative expenses in the accompanying Consolidated Statements of Operations. Property, plant and equipment are reviewed for impairment when indicators of impairment exist.

Goodwill and Other Intangibles

Intangibles consist primarily of goodwill and trade names related to businesses acquired. Goodwill represents the excess of the purchase price over the fair value of net assets of businesses acquired. The carrying amount of goodwill was \$3,308,000 as of December 31, 2025 and 2024. The Company evaluates whether goodwill is impaired by comparing its market capitalization based on

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Marine Products Corporation and Subsidiaries
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its closing stock price (Level 1 input) to the book value of its equity on the annual evaluation date. The Company also periodically performs a valuation of its indefinite-lived trade names and has concluded that the fair value of these assets is not impaired. Based on these evaluations, the Company concluded that no impairment of its goodwill or trade names has occurred for the years ended December 31, 2025, 2024 and 2023.

Warranty Costs

The Company provides a lifetime limited structural hull warranty, a five-year limited structural deck warranty, and a transferable one-year limited warranty to the original owner. Warranties for additional items are provided for periods of one to five years and are not transferable. Additionally, as it relates to the first subsequent owner, a five-year transferable hull warranty and the remainder of the original one-year limited warranty on certain components are available. The five-year transferable hull warranty terminates five years after the date of the original retail purchase. Claim costs related to components are generally absorbed by the original component manufacturer. The Company accrues estimated future warranty costs at the time of the sale based on its historical claims experience. An analysis of the warranty accruals for the years ended December 31, 2025 and 2024 is as follows:

<i>(in thousands)</i>	2025	2024
Balance at beginning of year	\$ 6,228	\$ 7,078
Less: Payments made during the year	(4,489)	(4,466)
Add: Warranty provision for the current year	3,851	3,681
Changes to warranty provision for prior years	685	(65)
Balance at end of year	<u>\$ 6,275</u>	<u>\$ 6,228</u>

Insurance Accruals

The Company fully insures its risks related to general liability, product liability, vehicle liability and cyber security liability up to policy-specified deductible limits. The Company's health insurance plan, which is insured up to a maximum annual claim amount for each covered employee and related dependents, and the Company's workers' compensation are self-funded. The estimated cost of claims under the self-insurance program is accrued as the claims are incurred and may subsequently be revised based on developments relating to such claims.

Research and Development Costs

The Company expenses research and development costs for new products and components as incurred. Research and development costs are included in selling, general and administrative expenses and totaled \$1.5 million in 2025, \$762 thousand in 2024 and \$757 thousand in 2023.

Repurchase Obligations

The Company has entered into agreements with third-party floor plan lenders where it has agreed, in the event of default by the dealer, to repurchase MPC boats repossessed from the dealer. These arrangements are subject to maximum repurchase amounts and the associated risk is mitigated by the value of the boats repurchased. The Company accrues estimated losses when a loss, due primarily to the default of one of our dealers, is determined to be probable and the amount of the loss can be reasonably estimated. Such losses were not material for 2025, 2024 or 2023.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Marine Products Corporation and Subsidiaries
Years ended December 31, 2025, 2024 and 2023

Income Taxes

Deferred tax liabilities and assets are determined based on the difference between the financial and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The Company establishes a valuation allowance against the carrying value of deferred tax assets if the Company concludes that it is more likely than not that the asset will not be realized through future taxable income.

Leases

The Company determines at contract inception, if an arrangement is a lease or contains a lease based on whether the Company obtains the right to control the use of specifically identifiable property, plant and equipment for a period of time in exchange for consideration. The Company has elected not to separate non-lease components from lease components for its leases. Variable lease payments are recognized as expenses when incurred. See the note titled Leases for additional information.

Stock-Based Compensation

Stock-based compensation expense is recognized for all share-based payment awards, net of an estimated forfeiture rate. Thus, compensation cost is amortized for those shares expected to vest on a straight-line basis over the requisite service period of the award. See the note titled Employee Benefit Plans for additional information.

Earnings per Share

Basic and diluted earnings per share are computed by dividing net income by the weighted average number of shares outstanding during the respective periods. In addition, the Company has periodically issued share-based payment awards that contain non-forfeitable rights to dividends and are therefore considered participating securities. See the note titled Employee Benefit Plans for further information on restricted stock granted to employees.

Restricted shares of common stock (participating securities) outstanding and a reconciliation of weighted average shares outstanding are as follows:

(in thousands)

	December 31,	2025	2024	2023
Net income available for stockholders:		\$ 11,383	\$ 17,853	\$ 41,695
Less: Adjustments for earnings attributable to participating securities		(514)	(1,108)	(999)
Net income used in calculating earnings per share		\$ 10,869	\$ 16,745	\$ 40,696
Weighted average shares outstanding (including participating securities)		34,965	34,689	34,443
Adjustment for participating securities		(910)	(877)	(834)
Shares used in calculating basic and diluted earnings per share		34,055	33,812	33,609

Fair Value of Financial Instruments

The Company's financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable and marketable securities. The carrying values of cash and cash equivalents, accounts receivable and accounts payable approximate their fair values because of the short-term nature of such instruments. Prior to the dissolution of the non-qualified Supplemental Executive Retirement Plan ("SERP"), the Company's marketable securities, held in the SERP were classified as trading securities. All of these securities were carried at fair value in the accompanying Consolidated Balance Sheets. See the note titled Fair Value Measurements for further information regarding the fair value measurement of assets and liabilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Marine Products Corporation and Subsidiaries
Years ended December 31, 2025, 2024 and 2023

Concentration of Suppliers

The Company has three suppliers for the three types of engines it purchases. This concentration of suppliers could impact our sales and profitability in the event of a sudden interruption in the delivery of these engines.

Recent Accounting Pronouncements

The Financial Accounting Standards Board issued the following Accounting Standards Updates ("ASU"s):

Recently Issued Accounting Standards Not Yet Adopted:

ASU 2025-11 — Interim Reporting (Topic 270): Narrow-Scope Improvements. This ASU updates existing guidance related to interim reporting. This amendment provides a comprehensive list of required interim disclosures and introduces a disclosure principle requiring entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. The provisions in this ASU are effective beginning in the first quarter of 2028. Early adoption is permitted on either a prospective or retrospective basis. The Company is currently assessing the potential impact of adoption of these provisions on the consolidated financial statements.

ASU 2025-06 — Intangibles - Goodwill and Other-Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. This ASU updates existing guidance related to the capitalization of development costs for internal-use software. These amendments update the threshold required to start capitalizing software costs and remove references to a sequential software development method. The provisions in this ASU are effective beginning in the first quarter of 2028. Early adoption is permitted as of the beginning of an annual reporting period. The Company is currently assessing the potential impact of adoption of these provisions on the consolidated financial statements.

ASU 2024-03 — Income Statement (Topic 220): Disaggregation of Income Statement Expenses. The amendments in this ASU require public companies to disclose, in interim and reporting periods, additional information about certain expenses in the financial statements. ASU 2024-03 is effective for annual periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted and is effective on either a prospective basis or retrospective basis. The Company is currently assessing the potential impacts of adoption on the consolidated financial statements.

NOTE 2: NET SALES

Accounting Policy

MPC's contract revenues are generated principally from selling: (1) fiberglass motorized boats and accessories and (2) parts to independent dealers. Revenue is recognized when obligations under the terms of a contract with our customer are satisfied. Satisfaction of contract terms occurs with the transfer of the title of our boats, accessories, and parts to our dealers. Net sales are measured as the amount of consideration we expect to receive in exchange for transferring the goods to the dealer. The amount of consideration we expect to receive consists of the sales price adjusted for dealer incentives. The expected costs associated with our base warranties continue to be recognized as expense when the products are sold as they are deemed to be assurance-type warranties (see the note titled Significant Accounting Policies). Incidental promotional items that are immaterial in the context of the contract are recognized as expense. Fees charged to customers for shipping and handling are included in net sales in the accompanying Consolidated Statements of Operations and the related costs incurred by the Company are included in cost of goods sold.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Marine Products Corporation and Subsidiaries
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Nature of goods

MPC's performance obligations within its contracts consist of: (1) boats and accessories and (2) parts. The Company transfers control and recognizes revenue on the satisfaction of its performance obligations (point in time) as follows:

- Boats and accessories (domestic sales) — upon delivery and acceptance by the dealer.
- Boats and accessories (international sales) — upon delivery to the shipping port.
- Parts — upon shipment/delivery to carrier.

Payment terms

For most domestic customers, MPC manufactures and delivers boats and accessories and parts ahead of payment — i.e., MPC fulfilled its performance obligations prior to submitting an invoice to the dealer. MPC invoices the customer when the products are delivered and receives the related compensation, typically within seven to ten business days after invoicing. For some domestic customers and all international customers, MPC requires payment prior to transferring control of the goods. These amounts are classified as deferred revenue and recognized when control has transferred, which generally occurs within three months of receiving the payment.

When the Company enters into contracts with its customers, it generally expects there to be no significant timing difference between the date the goods have been delivered to the customer (satisfaction of the performance obligation) and the date cash consideration is received. Accordingly, there is no financing component to the Company's arrangements with its customers.

Significant judgments

Determining the transaction price — The transaction price for MPC's boats and accessories is the invoice price adjusted for dealer incentives. Key inputs and assumptions utilized in determining variable consideration related to dealer incentives include:

- *Inputs:* Current model year boat sales, total potential program incentive percentage, prior model year results of dealer incentive activity (i.e., incentive earned as a percentage of total incentive potential).
- *Assumption:* Current model year incentive activity will closely reflect prior model year actual results, adjusted as necessary for dealer purchasing trends or economic factors.

Other — Our contracts with dealers do not provide them with a right of return. Accordingly, we do not have any obligations recorded for returns or refunds.

Disaggregation of revenues

The following table disaggregates our sales by major source:

(in thousands)

	December 31,	2025	2024	2023
Boats and accessories	\$	239,351	\$ 232,401	\$ 378,321
Parts		5,068	4,154	5,408
Net sales	\$	244,419	\$ 236,555	\$ 383,729

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Marine Products Corporation and Subsidiaries
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The following table disaggregates our revenues between domestic and international:

(in thousands)

December 31,	2025	2024	2023
Domestic	\$ 233,367	\$ 223,248	\$ 361,221
International	11,052	13,307	22,508
Net sales	<u>\$ 244,419</u>	<u>\$ 236,555</u>	<u>\$ 383,729</u>

Contract balances

Amounts received from international and certain domestic dealers toward the purchase of boats are classified as deferred revenue and are included in accrued expenses and other liabilities on the Consolidated Balance Sheets.

(in thousands)

December 31,	2025	2024	2023
Deferred revenue	\$ 1,185	\$ 191	\$ 654

Substantially all of the amounts of deferred revenue as of December 31, 2025 and December 31, 2024 were or will be recognized as sales during the immediately following quarters, when control is transferred.

NOTE3: ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

(in thousands)

December 31,	2025	2024
Trade receivables	\$ 5,251	\$ 1,166
Other	1,625	3,021
Total	<u>6,876</u>	<u>4,187</u>
Less: allowance for credit losses	(11)	(11)
Net accounts receivable	<u>\$ 6,865</u>	<u>\$ 4,176</u>

Trade receivables consist primarily of balances related to the sales of boats which are shipped pursuant to "floor-plan financing" programs with qualified lenders. Other receivables consist primarily of certain incentives recorded in 2024 together with rebates from suppliers for both 2025 and 2024. Changes in the Company's allowance for credit losses are disclosed in Schedule II Valuation and Qualifying Accounts. Trade receivables as of December 31, 2023 were \$1.3 million.

NOTE4: INVENTORIES

Inventories consist of the following:

(in thousands)

December 31,	2025	2024
Raw materials and supplies	\$ 27,075	\$ 29,686
Work in process	13,212	9,950
Finished goods	14,404	10,324
Total inventories	<u>\$ 54,691</u>	<u>\$ 49,960</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

*Marine Products Corporation and Subsidiaries
Years ended December 31, 2025, 2024 and 2023*

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are presented at cost, net of accumulated depreciation, and consist of the following:

<i>(in thousands)</i> December 31,	Estimated Useful Lives	2025	2024
Land	N/A	\$ 1,233	\$ 1,233
Buildings	7-40	27,428	26,643
Operating equipment	3-15	19,948	19,368
Furniture and fixtures	5-7	3,637	3,476
Vehicles	5-10	7,946	7,936
Gross property, plant and equipment		60,192	58,656
Less: accumulated depreciation		(37,542)	(34,409)
		<u>\$ 22,650</u>	<u>\$ 24,247</u>

Depreciation expense was \$3.1 million in 2025, \$2.8 million in 2024 and \$2.4 million in 2023. The Company had accounts payable for purchases of property and equipment of \$116 thousand as of December 31, 2024 and \$11 thousand as of December 31, 2023. There were no unpaid purchases of property and equipment as of December 31, 2025.

NOTE 6: ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued expenses and other liabilities consist of the following:

<i>(in thousands)</i> December 31,	2025	2024
Accrued payroll and related expenses	\$ 2,359	\$ 1,668
Accrued sales incentives and discounts	2,566	3,110
Accrued warranty costs	6,275	6,228
Accrued insurance expenses	638	1,791
Deferred revenue	1,185	191
Other	937	437
Total accrued expenses and other liabilities	<u>\$ 13,960</u>	<u>\$ 13,425</u>

NOTE 7: NOTES PAYABLE TO BANKS

On November 12, 2021, the Company entered into a revolving credit agreement with Truist Bank which provides a credit facility of \$20.0 million. The facility includes (i) a \$5.0 million sublimit for swingline loans, (ii) a \$2.5 million aggregate sublimit for all letters of credit, and (iii) a committed accordion which can increase the aggregate commitments by the greater of \$35.0 million and adjusted EBITDA (as calculated under the Credit Agreement) over the most recently completed twelve-month period. The facility is secured by a first priority security interest in and lien on substantially all personal property of MPC and the guarantors including, without limitation, certain assets owned by the Company. The facility is scheduled to mature on November 12, 2026.

Effective July 1, 2023, revolving borrowings under the facility accrue interest at a rate equal to Term Secured Overnight Financing Rate ("SOFR") plus the applicable percentage, as defined. During the second quarter of 2023, the Company was notified by Truist Bank that SOFR replaced LIBOR for all borrowings under the facility. The new applicable percentage is between 150 and 250 basis points for all loans based on MPC's net leverage ratio plus a SOFR adjustment of 11.45 basis points. In addition, the Company pays facility fees under the agreement ranging from 25 to 45 basis points, based on MPC's net leverage ratio, on the unused revolving commitment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Marine Products Corporation and Subsidiaries
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The credit agreement contains certain financial covenants including: (i) a maximum consolidated leverage ratio of 2.50:1.00 and (ii) a minimum consolidated fixed charge coverage ratio of 1.25:1.00 both determined at the end of each fiscal quarter. Additionally, the agreement contains customary covenants including affirmative and negative covenants and events of default (each with customary exceptions, thresholds and exclusions). As of December 31, 2025 and 2024, the Company was in compliance with these covenants.

The Company incurred total loan origination fees and other debt related costs associated with this revolving credit facility in the aggregate of \$195 thousand in 2021. These costs are being amortized to interest expense over the term of the credit agreement, and the remaining net balance is classified as part of non-current other assets. As of December 31, 2025 and 2024, MPC had no outstanding borrowings under the revolving credit facility.

Interest incurred, which includes facility fees on the unused portion of the revolving credit facility and the amortization of loan origination costs, on the credit facility was \$90 thousand each year in 2025, 2024 and 2023. Interest paid was \$38 thousand in 2025, \$51 thousand in 2024 and \$76 thousand in 2023.

NOTE 8: INCOME TAXES

For financial reporting purposes, income before income taxes included the following component:

(in thousands)

Years ended December 31,	2025	2024	2023
Income before income taxes - domestic	\$ 15,765	\$ 21,142	\$ 52,062

The following table lists the components of the provision (benefit) for income taxes:

(in thousands)

Years ended December 31,	2025	2024	2023
Current provision (benefit):			
Federal	\$ (86)	\$ 3,986	\$ 12,384
State	(44)	442	1,109
Deferred provision (benefit):			
Federal	4,268	(1,101)	(3,047)
State	244	(38)	(79)
Total income tax provision	\$ 4,382	\$ 3,289	\$ 10,367

The Base Erosion and Profit Shifting framework 2.0 (Pillar Two) released by the Organization for Economic Co-operation and Development introduced a global minimum corporate tax of 15% for companies with global revenues and profits above certain thresholds. The United States has not yet enacted legislation to adopt the provisions of Pillar Two. As of December 31, 2025, we have no recorded effects for Pillar Two due to our operational jurisdiction being wholly domestic. We will continue to monitor the impact of this legislation going forward.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Marine Products Corporation and Subsidiaries
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A reconciliation between the federal statutory rate and Marine Products' income tax provision and effective tax rate is as follows:

(in thousands)

Years ended December 31,	2025		2024		2023	
Federal statutory rate	\$ 3,311	21.0 %	\$ 4,440	21.0 %	\$ 10,933	21.0 %
State income taxes, net of federal benefit (a)	241	1.5	314	1.5	694	1.3
Tax credits:						
Research and development credit	(177)	(1.1)	(110)	(0.5)	(652)	(1.3)
Investment tax credit	—	—	(1,003)	(4.7)	—	—
Change in unrecognized tax benefits	(69)	(0.4)	49	0.2	241	0.5
Non-deductible expenses:						
Long-term retirement plan	988	6.3	—	—	—	—
Other	(184)	(1.2)	(162)	(0.8)	(137)	(0.3)
Cross-border tax laws	—	—	(71)	(0.3)	(243)	(0.5)
Other	272	1.7	(168)	(0.8)	(469)	(0.8)
Income tax provision and effective tax rate	\$ 4,382	27.8 %	\$ 3,289	15.6 %	\$ 10,367	19.9 %

(a) State taxes in Florida and North Carolina made up the majority (greater than 50 percent) of the tax effect in this category.

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

(in thousands)

December 31,	2025	2024
Deferred tax assets:		
Warranty costs	\$ 1,380	\$ 1,370
Sales incentives and discounts	224	436
Self-insurance	256	524
Stock-based compensation	1,059	908
Long-term retirement plan	—	4,767
Capitalized research and development	—	3,226
Federal net operating loss carryforwards	3,482	—
All others, net	344	331
Total deferred tax assets	6,745	11,562
Deferred tax liabilities:		
Depreciation and amortization expense	(1,528)	(1,833)
Net deferred tax assets	\$ 5,217	\$ 9,729

Total net income tax payments were \$1.8 million in 2025, \$4.5 million in 2024, and \$13.9 million in 2023. The following table lists the components of the payments for income taxes.

(in thousands)

Years ended December 31,	2025	2024	2023
Federal	\$ 1,500	\$ 4,000	\$ 12,999
State:			
Florida	90	160	450
North Carolina	110	94	175
Other	54	222	287
Total net income tax payments	\$ 1,754	\$ 4,476	\$ 13,911

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Marine Products Corporation and Subsidiaries
Years ended December 31, 2025, 2024 and 2023

The Company's policy is to record interest and penalties related to income tax matters, as part of income tax expense.

During 2025, the Company recognized a decrease in the estimated liability for unrecognized tax positions, which is recorded in other long-term liabilities on the Consolidated Balance Sheet. This liability, if released, would affect our effective rate. A reconciliation of the beginning and ending amount of unrecognized tax positions is as follows:

<i>(in thousands)</i>	2025	2024
Balance at January 1	\$ 1,411	\$ 1,349
Additions (reductions) based on tax positions related to the current year	(121)	21
Additions for tax positions of prior years	41	41
Balance at December 31	<u>\$ 1,331</u>	<u>\$ 1,411</u>

The Company and its subsidiaries are subject to U.S. federal and state income tax in multiple jurisdictions. In many cases, the estimated liability for uncertain tax positions are related to tax years that remain open and subject to examination by the relevant taxing authorities. In general, the Company's 2022 through 2024 tax years remain open to examination. Additional years may be open to the extent attributes are being carried forward to an open year.

NOTE 9: FAIR VALUE MEASUREMENTS

The various inputs used to measure assets at fair value establish a hierarchy that distinguishes between assumptions based on market data (observable inputs) and the Company's assumptions (unobservable inputs). The hierarchy consists of three broad levels as follows:

1. Level 1 — Quoted market prices in active markets for identical assets or liabilities.
2. Level 2 — Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
3. Level 3 — Unobservable inputs developed using the Company's estimates and assumptions, which reflect those that market participants would use.

The Company determines the fair value of the marketable securities that are available-for-sale through quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active. There are no available-for-sale securities held as of December 31, 2025 and 2024. Prior to dissolution of the SERP, the investments held therein were classified as trading securities, as described in the note titled Employee Benefit Plans, and were recorded primarily at their net cash surrender values calculated using their net asset values, which approximate fair value, as provided by the issuing insurance company. Trading securities were valued at \$18.5 million as of December 31, 2024. Significant observable inputs, in addition to quoted market prices, were used to value the trading securities. The Company's policy is to recognize transfers between levels at the beginning of quarterly reporting periods. For the years ended December 31, 2025 and 2024, there were no significant transfers in or out of levels 1, 2 or 3.

The carrying amount of other financial instruments reported in the balance sheet for current assets and current liabilities approximate their fair values because of the short-term maturity of these instruments. The Company currently does not use the fair value option to measure any of its existing financial instruments and has not determined whether or not it will elect this option for financial instruments it may acquire in the future.

NOTE 10: COMMITMENTS AND CONTINGENCIES**Lawsuits**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Marine Products Corporation and Subsidiaries
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The Company is a defendant in certain lawsuits which allege that plaintiffs have been injured or incurred damages as a result of Company business activities or the use of the Company's products. The Company is vigorously contesting these actions. Management, after consultation with legal counsel, is of the opinion that the outcome of these lawsuits will not have a material adverse effect on the financial position, results of operations or liquidity of Marine Products.

Litigation Related to the Proposed Mergers

Stockholders have and may continue to file lawsuits challenging the Mergers (as defined below), which may name us, MasterCraft (as defined below), members of our Board, members of the MasterCraft board, or others as defendants. No assurance can be made as to the outcome of such lawsuits, including the amount of costs associated with defending claims or any other liabilities that may be incurred in connection with the litigation of any claims. If plaintiffs are successful in obtaining an injunction prohibiting the parties from completing the Mergers on the agreed-upon terms, such an injunction may delay the completion of the Mergers or may prevent the Mergers from being completed altogether.

Dealer Floor Plan Financing

To assist dealers in obtaining financing for the purchase of its boats for inventory, the Company has entered into agreements with various dealers and selected third-party floor plan lenders to guarantee varying amounts of qualifying dealers' debt obligations. The Company's obligation under these guarantees becomes effective in the case of a default under the financing arrangement between the dealer and the third party lender. The agreements provide for the return of repossessed boats to the Company in new and unused condition, subject to normal wear and tear, in exchange for the Company's assumption of the debt obligation on those boats, as contractually defined by each lender. The Company had no material repurchases of dealer inventory under contractual agreements during 2025 and 2024 as a result of dealer defaults. Pursuant to the Merger Agreement we have agreed to limit repurchases pursuant to floorplan financing arrangements to \$500,000 individually or \$1,000,000 in the aggregate during the time period between the execution of the Merger Agreement and the completion of the Mergers except as specifically approved by MasterCraft.

Management continues to monitor the risk of additional defaults and resulting repurchase obligations based in part on information provided by the third-party floor plan lenders and will adjust the guarantee liability at the end of each reporting period based on information reasonably available at that time.

The Company currently has an agreement with one of the floor plan lenders whereby the contractual repurchase limit is based on the highest of the following criteria: (i) a specified percentage of the average net receivables financed by the floor plan lender for our dealers, (ii) the total average net receivables financed by the floor plan lender for our two highest dealers for the three highest monthly receivables balances during the past twelve months, or (iii) \$8.0 million, less repurchases during the prior 12 month period. As defined by the agreement, the repurchase limit for this lender was \$9.3 million as of December 31, 2025. Also, the Company also has an agreement with an additional floorplan lender whereby the contractual repurchase limit is based on the highest of the following criteria: (i) a specified percentage of the average net receivables financed by the floor plan lender for our dealers, or (ii) \$18.8 million through June 30, 2026, reducing to \$3.0 million beginning July 1, 2026. As defined by the agreement, the repurchase limit for this lender was \$18.8 million as of December 31, 2025. Lastly, the Company has contractual repurchase agreements with other lenders with an aggregate maximum repurchase obligation of \$1.5 million with various expiration and cancellation terms of less than one year, for an aggregate repurchase obligation with all floor plan financing institutions of \$29.6 million as of December 31, 2025.

Income Taxes

The amount of income taxes the Company pays is subject to ongoing audits by federal and state tax authorities, which often result in proposed assessments. Other long-term liabilities included the Company's estimated liabilities for probable assessments and totaled \$1.3 million as of December 31, 2025, compared to \$1.4 million as of December 31, 2024. See the note titled Income Taxes for further information related to those liabilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Marine Products Corporation and Subsidiaries
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Short-Term Cash Incentive Compensation

In addition to recording Short-Term Cash Incentive ("STCI") compensation expense for executive officers, STCI expense has been recorded for certain non-executive employees based on a percentage of Pre-Tax Profit ("PTP incentive"), defined as pretax income before goodwill adjustments and certain allocated corporate expenses. Through the third quarter of 2023, this PTP incentive was 16% in the aggregate per year and was subject to either a contractual arrangement or a discretionary determination. The PTP incentive under a contractual agreement with one employee, in the amount of seven percent per year, was discontinued at the end of the third quarter of 2023. Beginning in the fourth quarter of 2023, the PTP incentive, subject to a discretionary determination, is nine percent in the aggregate per year for three employees.

Total STCI expense for the reported years was as follows:

(in thousands)

	December 31,	2025	2024	2023
STCI expense		\$ 2,877	\$ 2,698	\$ 10,651

These amounts are included in Selling, general and administrative expenses in the accompanying Consolidated Statements of Operations.

NOTE 11: EMPLOYEE BENEFIT PLANS

Supplemental Executive Retirement Plan — The Company operated a non-qualified SERP that permitted certain highly compensated employees to defer a portion of their compensation. In the fourth quarter of 2025, the Company completed the dissolution of its SERP and distributed participant balances in full. As part of the dissolution, the Company dissolved the Rabbi Trust and liquidated all the Company-Owned Life Insurance Policies ("COLI") and other securities held in the Trust. Termination of the SERP was approved by the Board of Directors in the fourth quarter of 2024. Pursuant to the Internal Revenue Service rules, participant balances are required to be distributed between 12 and 24 months after termination. Retirement Plan assets and liabilities were classified as long-term on the Consolidated Balance Sheet as of December 31, 2024, and were reclassified to short-term as of June 30, 2025, when the decision to liquidate the assets and distribute participant balances in the fourth quarter of 2025 was made.

The liquidation of COLI assets resulted in a taxable gain of \$4.7 million that has been included in the income tax provision for the year ended December 31, 2025. The gain resulted from the excess of cash surrender value over the cost basis of the variable life insurance policies held inside the COLI. See footnote titled "Income taxes" for a discussion of the tax impact attributable to the dissolution. Prior to their liquidation, the COLI policies were recorded at their net cash surrender values, which approximated fair value. Proceeds of \$20.7 million from dissolution of the assets held inside the Rabbi Trust and participant distributions of \$23.9 million are disclosed as Proceeds from benefit plan financing arrangement and Distribution from financing plan arrangement on the Consolidated Statements of Cashflow for the year ended December 31, 2025.

Prior to their dissolution, the SERP assets were classified as trading securities and changes in the fair value of these assets, and normal insurance expenses were recorded in the Consolidated Statements of Operations as compensation cost within selling, general and administrative expenses. Trading gains related to the SERP assets totaled \$2.2 million in 2025, \$3.1 million in 2024, and \$1.5 million in 2023. Any change in the fair value of participant balances were recorded as compensation cost within selling, general and administrative expenses in the Consolidated Statements of Operations, and totaled \$2.3 million in 2025, \$3.4 million in 2024, and \$1.8 million in 2023.

401(k) Plan — Marine Products participates in a defined contribution 401(k) plan sponsored by RPC that is available to substantially all full-time employees with more than 90 days of service. Effective January 1, 2019, the Company began matching 100% of employee contributions for each dollar of a participant's contribution to the 401(k) Plan for the first three percent of his or her annual compensation, and 50% for each dollar of a participant's contribution to the 401(k) Plan for the next three percent of his or her annual compensation. Employees vest in the Company's contributions after two years of service. The charges to expense for Marine Products' contributions to the 401(k) plan were \$1.1 million in 2025, \$1.0 million in 2024 and \$1.2 million in 2023.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Marine Products Corporation and Subsidiaries
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Stock Incentive Plan — The Company has issued various forms of stock compensation, including incentive and non-qualified stock options, time-lapse restricted shares and performance share unit awards under its stock incentive plans to officers, selected employees and non-employee directors. In April 2024 the Company reserved 3,000,000 shares of common stock under the 2024 Stock Incentive Plan ("SIP") with a term of 10 years expiring in April 2034. As of December 31, 2025, there were 2,553,618 shares available for grant under the SIP.

The Company recognizes compensation expense for the unvested portion of awards outstanding over the remainder of the service period. The compensation cost recorded for these awards will be based on their fair value at grant date less the cost of estimated forfeitures. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods to reflect actual forfeitures.

Pre-tax stock-based employee compensation expense was approximately \$5.2 million (\$4.1 million after tax) for 2025, \$4.2 million (\$3.3 million after tax) for 2024, and \$3.7 million (\$2.9 million after tax) for 2023.

We have not issued any stock options since 2003 and have no immediate plans to issue additional stock options.

Restricted Stock — Marine Products grants selected employees and non-employee directors time lapse restricted stock that vest after a certain stipulated number of years from the grant date in the case of employees and that vest immediately for non-employee directors, depending on the terms of the issue. Time-lapse restricted shares granted to employees in 2024 vest ratably over a period of three years; the shares granted to employees in 2023 vest ratably over a period of four years; and the shares granted in 2022 vest ratably over a period of five years. Prior to 2022, the time-lapse restricted shares vested one-fifth per year beginning on the second anniversary of the grant date. Grantees receive dividends declared and retain voting rights for the granted shares. The agreement under which the restricted stock is issued provides that shares awarded may not be sold or otherwise transferred until restrictions established under the stock plans have lapsed. Upon termination of employment from the Company, with the exception of death (fully vests) or normal retirement/disability (partially vests based on pre-approved formula), shares with restrictions are forfeited in accordance with the SIP.

In addition to time-lapse restricted stock, officers and selected employees are granted Performance Share Unit ("PSU") awards that vest at different levels based on pre-established financial performance targets with a modifier for stock performance based on total shareholder return. The Company periodically evaluates the portion of performance share unit awards that are probable to vest and updates compensation expense accruals accordingly. The PSUs typically cliff-vest at the end of a three year performance period. Upon termination of employment (other than due to death or disability as defined in the agreements), the unvested PSUs will be forfeited. In the event of death or disability as defined in the agreements, all unvested PSUs shall vest immediately at 100% of target levels, without regard to the actual EBITDA performance, and with no adjustment for the Total Shareholder Return modifier. PSU awards also include the right to dividend equivalents with respect to the underlying shares which are accrued over the performance period, based upon target payout level and paid out in cash upon vesting of the PSUs. To the extent the awards fail to vest or are forfeited, or the performance goals are not met but no such dividend equivalents will be payable. PSUs confer no voting rights with respect to the underlying shares prior to vesting and payout.

The following is a summary of the changes in non-vested restricted shares for the year ended December 31, 2025:

	Shares	Weighted Average Grant-Date Fair Value
Non-vested shares at January 1, 2025	870,448	\$ 12.90
Granted	414,598	9.16
Vested	(361,685)	12.62
Forfeited	(8,684)	11.49
Non-vested shares at December 31, 2025	914,677	\$ 11.33

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Marine Products Corporation and Subsidiaries
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The following is a summary of the changes in non-vested restricted shares for the year ended December 31, 2024:

	Shares	Weighted Average Grant-Date Fair Value
Non-vested shares at January 1, 2024	839,050	\$ 13.81
Granted	336,451	11.35
Vested	(297,303)	13.70
Forfeited	(7,750)	12.81
Non-vested shares at December 31, 2024	870,448	\$ 12.90

The fair value of restricted stock awards is based on the market price of the Company's stock on the date of grant and is amortized to compensation expense on a straight-line basis over the requisite service period. The weighted average grant date fair value of these restricted stock awards was \$9.16 in 2025, \$11.35 in 2024 and \$13.25 in 2023. The total fair value of shares vested was approximately \$3.2 million in 2025, \$3.1 million in 2024 and \$3.2 million in 2023. The above table does not include any activity related to PSUs since they are not currently granted or vested.

For the year ending December 31, 2025, approximately \$168 thousand of net tax deficits for stock-based compensation awards were recorded as a discrete tax adjustment and classified within operating activities in the Consolidated Statements of Cash Flows compared to approximately \$47 thousand of excess tax benefits for the year ending December 31, 2024.

Other Information — As of December 31, 2025, total unrecognized compensation cost related to non-vested restricted shares was approximately \$5.8 million which is expected to be recognized over a weighted-average period of 1.5 years.

NOTE 12: RELATED PARTY TRANSACTIONS

In conjunction with its spin-off from RPC, the Company and RPC entered into various agreements that define the companies' relationship. Per the terms of their Transition Support Services agreement, which may be terminated by either party, RPC provides certain administrative services, including financial reporting and income tax administration, acquisition assistance, etc., to Marine Products. Charges from RPC (or from corporations that are subsidiaries of RPC) for such services were \$1.1 million in 2025, \$1.1 million in 2024 and \$1.0 million in 2023. The Company's payable to RPC for these services was \$58 thousand as of December 31, 2025 and \$99 thousand as of December 31, 2024. During 2023, RPC owed the Company \$524 thousand for using Marine Products' assets in the Plan to settle its participant liabilities, which was fully settled in 2024. All of the Company's directors are also directors of RPC and the Company's executive officers are employees of both the Company and RPC.

RPC and Marine Products own 50% each of a limited liability company called 255 RC, LLC that was created for the joint purchase and ownership of a corporate aircraft. The purchase was funded primarily by a \$2.6 million contribution by each company to 255 RC, LLC. Each of RPC and Marine Products is currently a party to an operating lease agreement with 255 RC, LLC for a period of five years. Marine Products recorded certain net operating costs for the corporate aircraft comprised of rent and an allocable share of fixed costs of \$141 thousand in 2025, \$188 thousand in 2024 and \$160 thousand in 2023. The Company has a payable to 255 RC, LLC of \$2.2 million as of December 31, 2025 and \$2.0 million as of December 31, 2024. The Company accounts for this investment using the equity method and its proportionate share of income or loss is recorded in selling, general and administrative expenses. As of December 31, 2025, the investment closely approximates the underlying equity in the net assets of 255 RC, LLC and the undistributed earnings represented in retained earnings was \$757 thousand.

A group that includes Amy R. Kreisler and Timothy C. Rollins, each of whom is a director of the Company, certain of their family members, and certain companies under their and/or their family members' control, controls in excess of fifty percent of the Company's voting power.

Pursuant to the registration rights agreement between us and our largest stockholder, LOR, Inc. ("LOR") and certain of its affiliates (collectively, "the Selling Stockholders") and their permitted transferees, we have filed a shelf registration statement on Form S-3 with the SEC that expires on May 5, 2028. The Form S-3 shelf registration statement registers for resale up to 24,419,029 shares of our common stock, which represents substantially all of the Company securities held by the Selling Stockholders. In

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

*Marine Products Corporation and Subsidiaries
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addition, they have, subject to certain conditions and limitations, certain piggy-back registration rights with respect to registrations initiated by us.

NOTE 13: LEASES

The Company recognizes leases with a duration greater than 12 months on the balance sheet with a Right-Of-Use ("ROU") asset and liability at the present value of lease payments over the term. Renewal options are factored into the determination of lease payments when appropriate. There are no residual value guarantees on the existing leases. The Company estimates its incremental borrowing rate, at lease commencement, to determine the present value of lease payments, since most of the Company's leases do not provide an implicit rate of return. ROU assets exclude lessor incentives received. The Company's lease population consists primarily of office equipment.

The Company does not have any finance leases. As of December 31, 2024, the Company had no operating leases that had not yet commenced.

Lease position:

The table below presents the assets and liabilities related to operating leases recorded on the balance sheet:

<i>(in thousands)</i>	Classification on Consolidated Balance Sheet	December 31,	
		2025	2024
Assets:			
Operating lease right-of-use assets	Other assets	\$ 152	\$ 219
Liabilities:			
Current portion of operating lease liabilities	Accrued expenses and other liabilities	\$ 83	\$ 79
Long-term operating lease liabilities	Other long-term liabilities	70	141
Total lease liabilities		\$ 153	\$ 220

Lease Costs:

The components of lease expense are included in selling, general and administrative expenses in the Consolidated Statements of Operations as disclosed below:

<i>(in thousands)</i>	2025	2024	2023
Operating lease cost	\$ 89	\$ 89	\$ 93
Short-term lease cost	—	—	—
Variable lease cost	11	11	3
Total lease cost	\$ 100	\$ 100	\$ 96

Other information:

As of December 31,	2025	2024
Cash paid for amounts included in the measurement of operating lease liabilities <i>(in thousands)</i>	\$ 80	\$ 77
ROU assets obtained in exchange for operating lease liabilities <i>(in thousands)</i>	(13)	—
Weighted average remaining lease term — operating leases <i>(years)</i>	2.0	2.7
Weighted average discount rate — operating leases	4.87 %	4.87 %

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

*Marine Products Corporation and Subsidiaries
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Lease Commitments:

Maturity of lease liabilities - Operating Leases:

(in thousands)

As of December 31,	2025	
2026	\$	89
2027		88
2028		58
2029		9
2030		3
Thereafter		1
Total lease payments		248
Less: Amounts representing interest		(95)
Present value of lease liabilities	\$	153

The Company recorded rental income of \$60 thousand in 2025 and \$240 thousand in both 2024 and 2023 that is recorded as part of selling, general and administrative expenses on the Consolidated Statements of Operations.

During 2023, the Company entered into a lease agreement related to a warehouse as a lessor that qualified to be a sales type lease. As part of this transaction, the Company recognized a gain of approximately \$1.8 million which has been reported as part of Gain on disposition of assets, net on the Consolidated Statement of Operations.

Note 14: Business Segment

MPC has one reportable segment — its Powerboat Manufacturing business. The Chief Operating Decision Maker (CODM) makes resource allocation and performance assessment decisions based on this segment as a whole. MPC's CODM is the Chief Executive Officer.

Significant segment expenses for the years ended December 31, 2025, 2024 and 2023 are shown in the following table:

<i>(in thousands)</i>	2025	2024	2023
Materials	\$ 128,705	\$ 123,441	\$ 203,847
Overhead	23,124	22,987	25,575
Labor costs	26,660	25,887	33,907
Other cost of goods sold ⁽¹⁾	19,155	18,742	30,021
Cost of goods sold	\$ 197,644	\$ 191,057	\$ 293,350
Employment costs	\$ 18,016	\$ 17,580	\$ 28,439
Warranty expense	4,536	3,616	5,829
Other selling, general and administrative expenses ⁽²⁾	10,195	6,180	8,945
Selling, general and administrative expenses	\$ 32,747	\$ 27,376	\$ 43,213

⁽¹⁾ Comprised primarily of accessories costs.

⁽²⁾ Includes professional fees, transactions costs related to the Mergers, advertising and promotions, and other costs.

NOTE 15: SUBSEQUENT EVENTS

On January 27, 2026, the Board of Directors declared a regular cash dividend of \$0.14 per share payable March 10, 2026 to stockholders of record at the close of business on February 10, 2026.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

*Marine Products Corporation and Subsidiaries
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On February 5, 2026, we entered into an Agreement and Plan of Merger (the "Merger Agreement") by and among MasterCraft Boat Holdings, Inc., a Delaware corporation ("MasterCraft"), Titan Merger Sub 1, Inc., a Delaware corporation and a wholly owned, direct subsidiary of MasterCraft ("Merger Sub I"), and Titan Merger Sub 2, LLC, a Delaware limited liability company and a wholly owned, direct subsidiary of MasterCraft ("Merger Sub II"). The Merger Agreement, among other things, provides for the combination of MasterCraft and Marine Products in a stock-and-cash transaction whereby (i) Merger Sub I will merge with and into Marine Products (the "First Merger"), with Marine Products surviving the First Merger as a direct wholly owned subsidiary of MasterCraft, and (ii) immediately following the First Merger, Marine Products will merge into Merger Sub II (the "Second Merger" and, together with the First Merger, the "Mergers"), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of MasterCraft.

Under the terms and subject to the conditions set forth in the Merger Agreement, at the effective time of the First Merger (the "First Effective Time"), each share of Marine Products common stock, par value \$0.10 per share, will be converted to the right to receive 0.232 shares (the "Stock Consideration") of MasterCraft common stock and \$2.43 in cash, without interest (the "Cash Consideration" and, together with the Stock Consideration, the "Merger Consideration").

The completion of the Mergers is subject to customary closing conditions, including, but not limited to: (i) the approval of the Merger Agreement by the affirmative vote of the holders of a majority in voting power of the outstanding Marine Products common stock entitled to vote thereon, (ii) the approval of the issuance of shares of MasterCraft common stock to be issued in the First Merger by the affirmative vote of the holders of a majority in voting power of the outstanding MasterCraft common stock present in person or by proxy and entitled to vote thereon at a meeting of MasterCraft stockholders, (iii) the absence of any injunction or order by any court or other governmental entity restraining, enjoining, preventing or otherwise prohibiting the consummation of the Mergers, (iv) the shares of MasterCraft common stock to be issued in the First Merger being approved for listing on the Nasdaq, (v) the effectiveness of the registration statement on Form S-4 pursuant to which the shares of MasterCraft common stock to be issued in the First Merger will be registered with the U.S. Securities and Exchange Commission (the "SEC"), (vi) the expiration or termination of the waiting period (and any extension thereof) required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, and (vii) the absence of a material adverse effect with respect to each of MasterCraft and Marine Products.

Further information regarding the Mergers is provided in our Current Report on Form 8-K filed with the SEC on February 5, 2026, which is incorporated by reference herein.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of disclosure controls and procedures — The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms, and that such information is accumulated and communicated to its management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As of the end of the period covered by this report, December 31, 2025 (the "Evaluation Date"), the Company carried out an evaluation, under the supervision and with the participation of its management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of its disclosure controls and procedures. Based upon this evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective at a reasonable assurance level as of the Evaluation Date.

Management's report on internal control over financial reporting — Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Management's report on internal control over financial reporting is included on page 35 of this report. Grant Thornton LLP, the Company's independent registered public accounting firm, has audited the effectiveness of internal control as of December 31, 2025 and issued a report thereon which is included on page 36 of this report.

Changes in internal control over financial reporting — There were no changes in the Company's internal control over financial reporting during the fourth quarter of 2025 which were identified in connection with management's evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

During the quarter ended December 31, 2025, no director or officer, as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended, of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III**Item 10. Directors, Executive Officers and Corporate Governance**

Except as included below, in accordance with General Instruction G(3), the information required will be filed as an amendment to this Form 10-K within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K. Code of Ethics

Marine Products has a Code of Business Conduct that applies to all employees. In addition, the Company has a Code of Business Conduct and Ethics for Directors and Executive Officers and Related Party Transaction Policy. Both of these documents are available on the Company's website at MarineProductsCorp.com. Copies are also available at no extra charge by writing to Attn: Human Resources, Marine Products Corporation, 2801 Buford Highway NE, Suite 300, Atlanta, Georgia 30329. Marine Products intends to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, a provision of its code of ethics that relates to any elements of the code of ethics definition enumerated in SEC rules by posting such information on its internet website, the address of which is provided above.

Item 11. Executive Compensation

In accordance with General Instruction G(3), the information required will be filed as an amendment to this Form 10-K within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

In accordance with General Instruction G(3), the information required will be filed as an amendment to this Form 10-K within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

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

In accordance with General Instruction G(3), the information required will be filed as an amendment to this Form 10-K within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 14. Principal Accounting Fees and Services

In accordance with General Instruction G(3), the information required will be filed as an amendment to this Form 10-K within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

PART IV

Item 15. Exhibit and Financial Statement Schedules

Consolidated Financial Statements, Financial Statement Schedule and Exhibits

1. Consolidated financial statements listed in the accompanying Index to Consolidated Financial Statements and Schedule are filed as part of this report.
2. The financial statement schedule listed in the accompanying Index to Consolidated Financial Statements and Schedule is filed as part of this report.
3. Exhibits listed in the accompanying Index to Exhibits are filed as part of this report. The following exhibits are management contracts or compensatory plans or arrangements:

- [10.8 Supplemental Retirement Plan \(incorporated herein by reference to Exhibit 10.16 to the Form 10-K filed on March 15, 2005\).](#)
- [10.9 First Amendment to 2001 Employee Stock Incentive Plan and 2004 Stock Incentive Plan \(incorporated by reference to Exhibit 10.19 to the Form 10-K filed on March 2, 2007\).](#)
- [10.10 Summary of compensation arrangements with the Executive Officers \(incorporated herein by reference to Exhibit 10.10 to the Form 10-K filed on February 28, 2025\).](#)
- [10.11 Form of time lapse restricted stock agreement under the 2004 Stock Incentive Plan \(incorporated herein by reference to Exhibit 10.1 to the Form 10-Q filed on May 2, 2012\).](#)
- [10.13 2014 Stock Incentive Plan \(incorporated herein by reference to Appendix A to the Registrant's definitive Proxy Statement filed on March 17, 2014\).](#)
- [10.14 Marine Products Corporation Cash Based Incentives \(Discretionary\) Acknowledgement of Cash Based Incentives for Executive Officers \(incorporated herein by reference to Exhibit 10.18 to the Form 10-K filed on February 28, 2017\).](#)
- [10.15 Marine Products Corporation 2024 Stock Incentive Plan \(incorporated herein by reference to the Registrant's Proxy Statement filed on March 14, 2024\).](#)
- [10.17 Form of performance share unit award agreement \(incorporated herein by reference to Exhibit 10.15 to the Form 10-Q filed on April 28, 2023\).](#)

Exhibits (inclusive of item 3 above):

Exhibit Number	Description
<u>2.1</u>	<u>Agreement and Plan of Merger, dated as of February 5, 2026, by and among MasterCraft Boat Holdings, Inc., Titan Merger Sub 1, Inc., Titan Merger Sub 2, LLC and Marine Products Corporation (incorporated by reference to Exhibit 2.1 to the Form 8-K filed on February 5, 2026).</u>
<u>3.1</u>	<u>(a) Articles of Incorporation of Marine Products Corporation (incorporated herein by reference to Exhibit 3.1 to the Form 10 filed on February 13, 2001).</u> <u>(b) Certificate of Amendment of Certificate of Incorporation of Marine Products Corporation executed on June 8, 2005 (incorporated herein by reference to Exhibit 99.1 to the current report on Form 8-K filed on June 9, 2005).</u>
<u>3.2</u>	<u>Amended and Restated Bylaws of Marine Products Corporation (incorporated herein by reference to Exhibit 3.2 to the Form 10-O filed on October 30, 2025).</u>
<u>4.1</u>	<u>Form of Common Stock Certificate of Marine Products Corporation (incorporated herein by reference to Exhibit 4.1 to the Form 10 filed on February 13, 2001).</u>
<u>4.2</u>	<u>Description of Registrant's Securities (incorporated herein by reference to Exhibit 4.2 to the Form 10-K filed on February 28, 2020).</u>
<u>10.1</u>	<u>Agreement Regarding Distribution and Plan of Reorganization, dated February 12, 2001, by and between RPC, Inc. and Marine Products Corporation (incorporated herein by reference to Exhibit 10.2 to the Form 10 filed on February 13, 2001).</u>
<u>10.2</u>	<u>Employee Benefits Agreement, dated February 12, 2001, by and between RPC, Inc., Chaparral Boats, Inc. and Marine Products Corporation (incorporated herein by reference to Exhibit 10.3 to the Form 10 filed on February 13, 2001).</u>
<u>10.3</u>	<u>Transition Support Services Agreement, dated February 12, 2001, by and between RPC, Inc. and Marine Products Corporation (incorporated herein by reference to Exhibit 10.4 to the Form 10 filed on February 13, 2001).</u>
<u>10.8</u>	<u>Supplemental Retirement Plan (incorporated herein by reference to Exhibit 10.16 to the Form 10-K filed on March 15, 2005).</u>
<u>10.10</u>	<u>Summary of compensation arrangements with the Executive Officers (incorporated herein by reference to Exhibit 10.10 to the Form 10-K filed on February 28, 2025).</u>
<u>10.11</u>	<u>Form of time lapse restricted stock agreement under the 2004 Stock Incentive Plan (incorporated herein by reference to Exhibit 10.1 to the Form 10-Q filed on May 2, 2012).</u>
<u>10.13</u>	<u>2014 Stock Incentive Plan (incorporated herein by reference to Appendix A to the Registrant's definitive Proxy Statement filed on March 17, 2014).</u>
<u>10.14</u>	<u>Marine Products Corporation Cash Based Incentives (Discretionary) Acknowledgement of Cash Based Incentives for Executive Officers (incorporated herein by reference to Exhibit 10.18 to the Form 10-K filed on February 28, 2017).</u>
<u>10.15</u>	<u>Marine Products Corporation 2024 Stock Incentive Plan (incorporated herein by reference to the Registrant's Proxy Statement filed on March 14, 2024).</u>
<u>10.16</u>	<u>Registration Rights Agreement, dated February 27, 2025, by and between Marine Products Corporation and LOR, Inc. (incorporated herein by reference to Exhibit 10.16 to the Form 10-K filed on February 28, 2025).</u>
<u>10.17</u>	<u>Form of performance share unit award agreement (incorporated herein by reference to Exhibit 10.15 to the Form 10-Q filed on April 28, 2023).</u>
<u>10.18</u>	<u>Voting Agreement, dated as of February 5, 2026, by and among MasterCraft Boat Holdings, Inc., Marine Products Corporation and certain stockholders identified in an exhibit thereto (incorporated by reference to Exhibit 10.1 to the Form 8-K filed on February 5, 2026).</u>
<u>19</u>	<u>Marine Products Corporation Insider trading policies and procedures.</u>
<u>21</u>	<u>Subsidiaries of Marine Products Corporation</u>
<u>23</u>	<u>Consent of Grant Thornton LLP</u>
<u>24</u>	<u>Powers of Attorney for Directors</u>
<u>31.1</u>	<u>Section 302 certification for Chief Executive Officer</u>
<u>31.2</u>	<u>Section 302 certification for Chief Financial Officer</u>

Exhibit	Description
Number	
32.1	Section 906 certification for Chief Executive Officer and Chief Financial Officer
97.1	Policy relating to recovery of erroneously awarded compensation (incorporated herein by reference to Exhibit 97.1 to the Form 10-K filed on February 28, 2024).
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
104	The cover page from the Company's Annual Report for the year ended December 31, 2025, formatted in Inline XBRL

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

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

Marine Products Corporation
/s/ Ben M. Palmer

Ben M. Palmer
President and Chief Executive Officer
(Principal Executive Officer)

February 27, 2026

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Name	Title	Date
<u>/s/ Ben M. Palmer</u> Ben M. Palmer	President and Chief Executive Officer (Principal Executive Officer)	February 27, 2026
<u>/s/ Michael L. Schmit</u> Michael L. Schmit	Vice President, Chief Financial Officer and Corporate Secretary (Principal Financial and Accounting Officer)	February 27, 2026

The Directors of Marine Products Corporation (listed below) executed a power of attorney, appointing Ben M. Palmer their attorney-in-fact, empowering him to sign this report on their behalf.

Richard A. Hubbell, Director
Jerry W. Nix, Director
Susan R. Bell, Director
Patrick J. Gunning, Director
Amy R. Kreisler, Director

Gary Kolstad, Director
Timothy C. Rollins, Director
Stephen E. Lewis, Director
John F. Wilson, Director

/s/ Ben M. Palmer
Ben M. Palmer
Director and as Attorney-in-fact
February 27, 2026

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS, REPORTS AND SCHEDULE

The following documents are filed as part of this report.

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Report of Independent Registered Public Accounting Firm (PCAOB ID Number 248) on Internal Control Over Financial Reporting	36
Report of Independent Registered Public Accounting Firm (PCAOB ID Number 248) on Consolidated Financial Statements	37
Consolidated Balance Sheets as of December 31, 2025 and 2024	39
Consolidated Statements of Operations for each of the three years ended December 31, 2025	40
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Schedules not listed above have been omitted because they are not applicable or the required information is included in the Consolidated Financial Statements or notes thereto.

SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS

MARINE PRODUCTS CORPORATION AND SUBSIDIARIES

Description (in thousands)	For the years ended December 31, 2025, 2024 and 2023			
	Balance at Beginning of Period	Charged to Costs and Expenses	Net (Write-Offs)/ Recoveries	Balance at End of Period
Year ended December 31, 2025				
Credit loss allowance for accounts receivable	\$ 11	\$ —	\$ —	\$ 11
Year ended December 31, 2024				
Credit loss allowance for accounts receivable	\$ 11	\$ —	\$ —	\$ 11
Year ended December 31, 2023				
Credit loss allowance for accounts receivable	\$ 12	\$ —	\$ (1)	\$ 11

Any schedules not shown above have been omitted because they are not applicable.



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Purpose

Marine Products Corporation (Marine Products, MPC or the Company) is a public company whose stock trades on the New York Stock Exchange under the symbol "MPX."

- a) The purpose of this Policy is to ensure that all directors, officers, and employees of Marine Products comply with the legal and practical requirements associated with having stock that trades on one or more national securities exchanges.
- b) Securities laws make it illegal for a person to trade in a company's securities while in possession of **Material Nonpublic Information** (defined below) relating to that company, or to gift such securities while in possession of **Material Nonpublic Information** under circumstances in which it is reasonably likely that the gift recipient will sell the securities. This conduct is known as "insider trading." It is also illegal for a person to disclose material nonpublic information to another who may use this information to trade. This conduct is known as "tipping."

Applicability

This Policy applies to all directors, officers, and employees of Marine Products. Each of the groups is also responsible for compliance by their Family Members (defined below).

SEC Filing

This Policy shall be filed as an exhibit to RPC's Annual Report on Form 10-K in accordance with the requirements of Item 408(b) of Regulation S-K promulgated under the Securities Exchange Act of 1934, as amended.

Definitions

The following are definitions of key terms used in this Policy:

- a) **Blackout Period** means the period beginning 7 calendar days preceding the close of each of the four fiscal quarters and ending not less than 48 hours following the public release of quarterly financial information by the Company. Exceptions to this Blackout Period may only be granted by the Chief Financial Officer (CFO). In addition, special Blackout Periods may be imposed by the CFO from time to time which will apply to all persons specifically designated by the CFO.
 - b) **Covered Persons** are all directors, officers, members of corporate and enterprise services including financial planning and analysis, employees in the financial reporting organization as identified by the CFO, certain other designated employees such as business unit leaders, vice presidents, division heads of the Company or any subsidiary of the Company. A list of **Covered Persons** is maintained by the office of the CFO.
 - c) **Covered Securities** are all equity and debt securities of the Company including Common Stock, as well as options or other derivative securities that use **Covered Securities** as reference securities, such as publicly traded options, puts or calls with
-

MARINE PRODUCTS CORPORATION

Insider Trading Policy

Effective Date: 1/28/2026

Process Owner: Chief Financial Officer

respect to Company Common Stock. Shares of stock acquired upon exercise of any option or received through a restricted stock grant are considered Covered Securities. In addition, equity and debt securities as well as publicly traded options or other derivative securities of certain business partners may be designated as **Covered Securities** by the CFO from time to time and will be communicated as needed.

- d) **Family Members** means members of your family who reside with you (including a spouse, children (including children in college), stepchildren, grandchildren, parents, stepparents, grandparents, siblings and in-laws); anyone else who resides in your household; any family members who do not live in your household, but whose transactions in any Covered Securities are directed by you or are subject to your influence or control; and any entities that you influence or control, including any corporations, partnerships and trusts.
- e) **Material Nonpublic Information** is any information concerning the business or operations of the Company or any of its business partners which has not been disclosed to the public, but which could influence reasonable investors to buy, sell, or hold **Covered Securities**. Common examples of information which may be material include dividend and earnings announcements, financial results, financial forecasts, especially earnings estimates, mergers or acquisitions, proposed issuances of new securities, major marketing changes, significant new contracts, major litigation, governmental investigations, planned material restructuring or layoffs, significant cybersecurity incidents, or significant changes in management.

Information that has not been disclosed to the public is generally considered to be nonpublic information. In order to establish that the information has been disclosed to the public, it may be necessary to demonstrate that the information has been widely disseminated. Information generally would be considered widely disseminated if it has been disclosed through the newswire services, a broadcast on widely available radio or television programs, publication in a widely available newspaper, magazine or news website, or public disclosure documents filed with the SEC that are available on the SEC's website. Once information is widely disseminated, it is still necessary to provide the investing public with sufficient time to absorb the information. As a general rule, information should have been publicly released for at least 48 hours before it should be considered to no longer be **Material Nonpublic Information**.

- f) **10b5-1 Plan**: is a trading plan with respect to Covered Securities that is set up pursuant to Rule 10b5-1 under the Securities Exchange Act of 1934 (the Act), wherein the person entering into the trading plan is entitled to certain affirmative defenses if the plan is set up as a binding contract and is not entered into while in possession of **Material Nonpublic Information**. See Appendix A for a description of 10b5-1 Plans, the requirements to set them up, and their important features.

Policy

- a) You and your Family Members may not purchase or sell or gift **Covered Securities** while in the possession of **Material Nonpublic Information**. If you have any doubt about whether information is Material Nonpublic Information which precludes trading or other transactions in Covered Securities, the doubt should be resolved *against* making the trade. Further, the Company may notify you that it is disallowing trades during periods when **Material Nonpublic Information** exists, whether known to you or not. In addition, you may not use **Material Nonpublic Information** learned through your relationship with the Company to trade in another company's stock. All prohibitions related to trading of Covered Securities have equal applicability to trading in stock of the Company's business partners. You are responsible for the transactions of your **Family Members** and should make them aware of the need to confer with you before they trade any Covered Securities.
-

MARINE PRODUCTS CORPORATION

Insider Trading Policy

Effective Date: 1/28/2026

Process Owner: Chief Financial Officer

- b) In addition to the prohibitions in paragraph (a) above, **Covered Persons** are prohibited from purchasing or selling **Covered Securities** during any **Blackout Period**.
- c) Certain transactions involving employee benefit plans of the Company are not subject to this Policy and are allowed at any time, including during a **Blackout Period** as follows:
- i. Grants or vesting of restricted stock pursuant to the Company's benefit plans are allowed; however, the sale of vested restricted stock is subject to this Policy.
 - ii. Stock options may be exercised with cash, through the tender of shares, or a cashless exercise where shares are withheld and not sold in the market; however, a cashless exercise in which a broker sells the option shares or other shares is prohibited during the **Blackout Period** and at any time you possess **Material Nonpublic Information**, unless made pursuant to an approved 10b5-1 Plan.
 - iii. The exercise of a tax withholding right pursuant to which you elect to have the Company withhold shares of stock to satisfy tax withholding requirements upon the vesting of any restricted stock.
- d) You may not sell **Covered Securities** short, and may not purchase or sell puts, calls or other derivative securities at any time.
- e) You are required to maintain in confidence all **Material Nonpublic Information**. The only exception to this shall be the release of information by officers of the Company specifically authorized to disclose **Material Nonpublic Information**.
- f) Trading in **Covered Securities** on a short-term basis or subjecting **Covered Securities** to be sold outside your control is strongly discouraged. Pledging **Covered Securities** or otherwise subjecting **Covered Securities** to margin calls is prohibited at all times. All **Covered Persons**, including directors and officers, certain designated employees such as business unit leaders, and corporate and enterprise employees titled vice presidents or higher of the Company are subject to additional requirements as described in paragraphs (g) and (h) below.
- g) Directors and officers subject to Section 16 of the Act must report in a timely fashion purchases and sales of **Covered Securities**, grants and exercises of options and transactions in restricted stock, on Forms 4 and 5, as appropriate. Forms 4 are to be filed within two business days with the Securities and Exchange Commission. Directors and officers subject to Section 16 are also required to pre-clear all trades with the Chief Financial Officer or Chief Executive Officer.
- h) Certain other designated employees such as business unit leaders and corporate and enterprise employees titled vice presidents or higher of the Company, that are not subject to Section 16 reporting, are also required to pre-clear all trades with the Chief Financial Officer or Chief Executive Officer.
- i) Gifts of **Covered Securities** to a person, entity or charity are covered by this **Policy**. All bona fide gifts of **Covered Securities** by persons subject to Section 16 reporting must be reported in a timely fashion on Form 4. All bona fide gift transactions, by directors and officers subject to Section 16 of the Act, and certain other designated employees such as business unit leaders and corporate and enterprise services employees titled vice presidents or higher that are not subject to Section 16 reporting, are required to be pre-cleared with the Chief Financial Officer or Chief Executive Officer.
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MARINE PRODUCTS CORPORATION

Insider Trading Policy

Effective Date: 1/28/2026

Process Owner: Chief Financial Officer

- j) **Tippling** occurs when an insider communicates **Material Nonpublic Information** to another individual (other than another insider with a need to know). Do not disclose **Material Nonpublic Information** concerning MPC to any other person, including Family Members, or discuss MPC matters in Internet chat rooms or social networking sites. If the individual receiving the tip purchases or sells **Covered Securities** in violation of this policy, both the insider and the individual receiving the tip may be liable for a violation of federal securities laws.
- k) **Hedging** of financial risk with respect to Covered Securities and similar monetization transactions are prohibited by this Policy. This includes, but is not limited to, the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds.
- l) Transactions made pursuant to a **Rule 10b5-1 Plan** that satisfies the requirements set out in Appendix A are not subject to this Policy.
- m) This Policy continues to apply to transactions in **Covered Securities** even after termination of service to MPC. If an individual is in possession of **Material Nonpublic Information** when his or her service terminates, that individual may not engage in transactions in **Covered Securities** until that information has become public or is no longer material.

Violation of Policy – Penalties and Disciplinary Action

- a) Violation of this **Policy** may result in discipline by the Company, up to and including termination of employment.
 - b) The penalties for insider trading include civil fines of up to three times the profit gained or loss avoided, and criminal fines of up to \$5,000,000 and a significant jail term. As such, please remember that you trade at your own risk.
 - c) You can also be liable for improper transactions by **Tippling**. Specifically, you may be liable for improper transactions by any person to whom you have purposely or inadvertently disclosed nonpublic information. The SEC has imposed large penalties even when the disclosing person did not actually trade or profit from the trading. While this Policy is intended to assist you in complying with the laws against insider trading, you must always exercise appropriate judgment in connection with any trade in **Covered Securities**.
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MARINE PRODUCTS CORPORATION

Insider Trading Policy

Effective Date: 1/28/2026

Process Owner: Chief Financial Officer

- d) You should keep in mind that if your securities transactions ever become the subject of scrutiny, these transactions will be viewed after the fact and in the bright light of hindsight. As a result, before engaging in any transaction in **Covered Securities**, you should carefully consider how regulators and others might view the transaction after the fact. Even the appearance of impropriety or governmental inquiries with respect to a transaction could impair investor confidence in MPC and subject you and or the Company to government inquiries or litigation. Consequently, any concerns or questions about this Policy should be discussed with MPC's Chief Financial Officer or Chief Executive Officer.

Reviewed and Approved by Committee December 4, 2025
To be Reviewed for Approval by Full Board on January 27, 2026

Appendix A

10b5-1 Plan

Description:

Rule 10b5-1 under the Act provides certain affirmative defenses from insider trading liability. To be eligible to rely on this defense, a person subject to this **Policy** must enter into a **Rule 10b5-1 Plan** for transactions in Company Securities that meet certain conditions specified in the Rule. If the plan meets the requirements of Rule 10b5-1, transactions in Company Securities may occur even when the person who has entered into the plan is aware of **Material Nonpublic Information**.

Rule 10b5-1 Plan Requirements:

To comply with the Policy, a **Rule 10b5-1 Plan** must be approved by the Chief Financial Officer and have the following features:

- i. A **Rule 10b5-1 Plan** must be entered into at a time when the person entering into the plan is not aware of **Material Nonpublic Information**.
 - ii. Once the plan is adopted, the person must not exercise any influence over the number of securities to be traded, the price at which they are to be traded or the date of the trade.
 - iii. The plan must either specify the amount, pricing and timing of transactions in advance or delegate discretion on these matters to an independent third party.
 - iv. The plan must include a cooling-off period before trading can commence that, for directors or officers, ends on the later of 90 days after the adoption of the Rule 10b5-1 plan or two business days following the disclosure of the Company's financial results in an SEC periodic report for the fiscal quarter in which the plan was adopted (but in any event, the required cooling-off period is subject to a maximum of 120 days after adoption of the plan), and for persons other than directors or officers, 30 days following the adoption or modification of a **Rule 10b5-1 Plan**.
 - v. A person may not enter into overlapping **Rule 10b5-1 Plans** (subject to certain exceptions) and may only enter into one single-trade **Rule 10b5-1 Plan** during any 12-month period (subject to certain exceptions).
 - vi. Directors and officers must include a representation in their **Rule 10b5-1 Plan** certifying that:
 - they are not aware of any **Material Nonpublic Information**; and
 - they are adopting the plan in good faith and not as part of a plan or scheme to evade the prohibitions in Rule 10b-5.
 - vii. All persons entering into a **Rule 10b5-1 Plan** must act in good faith with respect to that plan.
 - viii. Any **Rule 10b5-1 Plan** must be submitted for approval five days prior to entry into the **Rule 10b5-1 Plan**. No further pre-approval of transactions conducted pursuant to the **Rule 10b5-1 Plan** will be required.
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SUBSIDIARIES OF MARINE PRODUCTS CORPORATION

NAME	STATE OF INCORPORATION
Chaparral Boats, Inc.	Georgia
Chaparral Marine, Inc.	Georgia
Robalo Boats, LLC	Georgia
Marine Products Investment Company, LLC	Delaware
Anchor Assurance Company, Inc.	North Carolina

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our reports dated February 27, 2026, with respect to the consolidated financial statements and internal control over financial reporting included in the Annual Report of Marine Products Corporation on Form 10-K for the year ended December 31, 2025. We consent to the incorporation by reference of said reports in the Registration Statements of Marine Products Corporation on Form S-3 (File No. 333-286707) and Forms S-8 (File No. 333-195425 & 333-278879).

/s/ GRANT THORNTON LLP

Atlanta, Georgia
February 27, 2026

POWER OF ATTORNEY

Know All Men By These Presents, that each person whose signature appears below constitutes and appoints, **Ben M. Palmer and Michael L. Schmit** as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her or in his or her name, place and stead in any and all capacities to sign the Annual Report on Form 10-K for the fiscal year ended 2025 of **Marine Products Corporation**, and any amendments thereto, and to file the same with all exhibits thereto, and other documents in connection therewith, with the U.S. Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform any other act and thing requisite and necessary to be done, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents may lawfully do or cause to be done by virtue hereof.

This Power of Attorney may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this day of 17th day of February 2026.

/s/ Richard A. Hubbell
Richard A. Hubbell, Director

/s/ Timothy C. Rollins
Timothy C. Rollins, Director

/s/ Jerry W. Nix
Jerry W. Nix, Director

/s/ Patrick J. Gunning
Patrick J. Gunning, Director

/s/ Susan R. Bell
Susan R. Bell, Director

/s/ John F. Wilson
John F. Wilson, Director

/s/ Amy R. Kreisler
Amy R. Kreisler, Director

/s/ Stephen R. Lewis
Stephen R. Lewis, Director

/s/ Gary Kolstad
Gary Kolstad, Director

CERTIFICATIONS

I, Ben M. Palmer, certify that:

1. I have reviewed this annual report on Form 10-K of Marine Products Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2026

/s/ Ben M. Palmer
Ben M. Palmer
President and Chief Executive Officer
(Principal Executive Officer)

I, Michael L. Schmit, certify that:

1. I have reviewed this annual report on Form 10-K of Marine Products Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2026

/s/ Michael L. Schmit

Michael L. Schmit
Vice President, Chief Financial Officer and Corporate Secretary
(Principal Financial and Accounting Officer)

CERTIFICATION OF PERIODIC FINANCIAL REPORTS PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

To the best of their knowledge the undersigned hereby certify that the Annual Report on Form 10-K of Marine Products Corporation for the period ended December 31, 2025, fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. Sec. 78m) and that the information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of Marine Products Corporation.

Date: February 27, 2026

/s/ Ben M. Palmer

Ben M. Palmer
President and Chief Executive Officer
(Principal Executive Officer)

Date: February 27, 2026

/s/ Michael L. Schmit

Michael L. Schmit
Vice President, Chief Financial Officer and Corporate Secretary
(Principal Financial and Accounting Officer)
