FGI INDUSTRIES ANNOUNCES FOURTH QUARTER AND FULL YEAR 2022 RESULTS

EAST HANOVER, N.J., March 27, 2022 – FGI Industries Ltd. (Nasdaq: FGI) ("FGI" or the "Company"), a leading global supplier of kitchen and bath products, today announced results for the fourth quarter and full-year 2022.

FOURTH QUARTER 2022 HIGHLIGHTS
(As compared to the fourth quarter of 2021)

- Total revenues of $31.8 million, (39.1%) y/y
- Gross profit of $7.5 million, gross margin of 23.7%, +920 bps y/y
- Net income of $0.7 million, (32.1%) y/y
- Adjusted net income of $1.0 million, +41.0% y/y
- Adjusted operating income of $1.3 million, +89.4% y/y

FULL YEAR 2022 HIGHLIGHTS
(As compared to full year 2021)

- Total revenues of $161.7 million, (11.1%) y/y
- Gross profit of $31.5 million, gross margin of 19.5%, +180 bps y/y
- Net income of $3.7 million, (53.5%) y/y
- Adjusted net income of $4.2 million, (33.6)% y/y
- Adjusted operating income of $5.7 million, (27.4)% y/y

MANAGEMENT COMMENTARY

"In our first year as a public company we made important progress on our strategic initiatives and executed extremely well operationally despite the challenges we faced in 2022, which included continued inflation, ongoing supply chain disruption, persistent global unrest and widespread customer de-stocking. As a result, we are in an attractive position as we enter 2023," stated David Bruce, President and Chief Executive Officer of FGI. "I am extremely proud of our team's strong operational performance during the fourth quarter, as we were able to generate significant year-over-year gross margin improvement and operating income growth despite customer de-stocking, which continued to pressure top-line results. The customer de-stocking during the fourth quarter was more significant than expected, which caused our fourth quarter revenues to fall short of our expectations. While we expect de-stocking to continue to be a headwind into the early part of 2023, we have started to see customers' inventory levels begin to normalize while order cadence slowly improved during the first two months of 2023. This recovery is more evident within the DIY channel as we expect de-stocking with our pro customers to extend further into the second quarter. We believe end customer demand has remained relatively stable, and with the ongoing momentum in our internal growth initiatives, we are well positioned for a return to revenue growth once channel inventory levels normalize in the second half of 2023."

"I am very excited by the continued execution against our strategic initiatives during 2022, driven in large part by our focus on our Brands, Products, and Channels Strategy, or what we refer to as BPC," noted Bruce. "During 2022, we continued to expand our Covered Bridge kitchen cabinetry business with significant growth in our dealer network and we also made further progress on our shower systems business. In addition, we launched several new product lines and brand initiatives during the year, and we were very excited by the reception many of these products received at the recent Kitchen and Bath show in Las Vegas, which is the premier kitchen and bath design event for our industry. These are just some of the exciting opportunities we are pursuing, and as we continue to execute on our BPC strategy, we believe we are well positioned to execute on our organic growth initiatives."

"We were able to generate year-over-year fourth quarter and full year 2022 gross margin improvements of 920 basis points and 180 basis points, respectively, and we expect continued margin improvements in 2023 as we execute on our financial performance improvement initiatives," stated Perry Lin, Chief Financial Officer of FGI. "In addition to our

focus on margin improvement, an important part of our financial enhancement strategy is a focus on working capital management and free cash flow generation. Following the supply-chain and inflationary headwinds we faced in the first half of 2022, we made further progress reducing our working capital usage during the fourth quarter, driving improved free cash flow conversion. As a result, we reported a 2022 ending cash balance of $10.1 million, which, combined with our borrowing capacity, provides us with ample liquidity to support our organic growth initiatives and the flexibility to pursue potential strategic M&A."

"I am extremely proud of our team's dedication, tireless effort, and relentless pursuit of our strategic objectives during 2022, a year that saw the company execute its IPO, face unprecedented supply-chain disruptions, and operate in an extremely volatile market environment," continued Bruce. "As a result of all our hard work, we enter 2023 in a favorable position to continue to execute on our strategic initiatives and pursue our financial goals. Repair and remodel spending tends to remain relatively resilient through market cycles and we expect this to continue during 2023. We believe the overall R&R market could decline modestly during 2023, but there have been some signs of improving trends and we remain cautiously optimistic regarding the full year outlook. Based on our assumption for the market and an expectation that de-stocking will continue to be a headwind in the near-term, we are forecasting full-year 2023 revenues of $145 million to $163 million, with improving growth trends as the year progresses. We expect continued progress on our margin improvement initiatives, resulting in projected 2023 adjusted operating income of $6.0 million to $6.8 million and adjusted net income of $4.2 million to $4.7 million."

STRATEGIC UPDATE

FGI intends to drive long-term shareholder value through execution of its Brands, Products and Channels ("BPC") strategy to drive organic growth, enhanced financial performance, and efficient capital deployment. FGI made important progress against these strategic initiatives during 2022, positioning the Company to pursue profitable growth during 2023. Some of the key accomplishments during 2022 were as follows:

- **BPC Strategy:** FGI meaningfully expanded its custom kitchen cabinetry business under its Covered Bridge brand, generating strong growth in its dealer network, which increased to 135 dealers as of December 31, 2022, up from 71 at the start of the year, with significant growth in the dealer channel expected to continue into 2023 as evidenced by 14 additional dealers added in January. FGI has invested in new manufacturing capacity to support the anticipated business development opportunities for its kitchen cabinetry business both in the dealer network and with large national customers. FGI continued to grow its shower systems business, including a new co-branded program at Lowe's that began in the fourth quarter of 2022. FGI launched several new product lines and brand initiatives in 2022 across the Company's entire geographic footprint, including new products under FGI's flagship Craft & Main brand, the launch of the Jetcoat shower wall line to the Canadian wholesale market, and in Germany, FGI has announced a major sanitaryware product launch that should help drive a new cycle of innovation and product development.

- **Enhanced Financial Performance:** Despite supply chain challenges, inflationary pressures, and revenue pressures, FGI was able to expand full year 2022 gross profit margin by 180 basis points. Gross margin was 23.7% during the fourth quarter of 2022, up from 14.5% in the same period last year, and the Company is positioned for continued gross margin improvement in 2023, as compared to the full year 2022, owing to lower freight costs, pricing benefits, and more favorable revenue mix.

- **Efficient Capital Deployment:** Given a broad set of attractive internal growth programs, FGI will continue to prioritize capital deployment in support of its core organic growth opportunities. Additionally, with total liquidity of $23.8 million at December 31, 2022, the Company is positioned to pursue possible opportunistic bolt-on acquisition opportunities to supplement its organic growth strategy.

FOURTH QUARTER 2022 RESULTS

Revenue totaled $31.8 million during the fourth quarter of 2022, a decrease of 39.1% compared to the prior-year period, driven by continued inventory de-stocking across all segments and geographies, partially offset by continued pricing gains and a more favorable mix.

- Sanitaryware revenue was $20.2 million during the fourth quarter of 2022, a decrease of $13.9 million compared to the prior-year period. The revenue weakness was due in large part to inventory de-stocking driven primarily by the pro segment, with end customer demand remaining relatively stable.

- Bath Furniture revenue was $6.1 million during the fourth quarter of 2022, a decrease of $6.4 million compared to the prior-year period. While order patterns were expected to begin to normalize in the back half of 2022, customers continued to de-stock to reduce channel inventory levels during the fourth quarter. While the Company is slowly seeing some improvement in orders during the first quarter of 2023, it continues to expect the normalization in order pattens to run through the next few quarters as inventory levels adjust.

- Other revenue was $5.4 million during the fourth quarter of 2022, essentially flat from the prior-year period, as order timing in the shower business was offset by continued growth in kitchen cabinetry.

Gross profit was $7.5 million during the fourth quarter of 2022, a decrease of only 0.6% compared to the prior-year period despite the significant inventory de-stocking headwinds. Gross profit margin improved to 23.7% during the fourth quarter of 2022, up 920 basis points from the prior-year period, as measures put in place to mitigate the recent margin headwinds benefited results. The improvement in the Company's gross margin percentage is primarily attributable to solid growth in higher margin products, continued pricing gains, and a reduction in freight costs versus the elevated levels experienced last year.

Operating income was $1.0 million during the fourth quarter of 2022, up from $0.7 million in the prior-year period. Operating income during the fourth quarter of 2022 included non-recurring expenses of $0.3 million related to the Huida arbitration and anti-dumping cases. Excluding these one-time expenses, adjusted operating income was $1.3 million during the fourth quarter of 2022, up $0.6 million or 89% from the prior-year period. The increase in operating income was driven by the improved gross margin performance and lower selling and distribution expense, partially offset by the lower revenue. As a result, operating margin was 3.2% during the fourth quarter, up from 1.4% in the same period last year. Adjusted operating margin was 4.3%, up from 1.4% in the same period last year.

For the three months ended December 31, 2022, the Company reported GAAP net income of $0.7 million, or $0.07 per diluted share, versus net income of $1.0 million, or $0.15 per diluted share, in the fourth quarter of 2021. Net income for the fourth quarter of 2022 included an after-tax charge of $0.3 million related to the non-recurring Huida arbitration and anti-dumping expenses, while the fourth quarter of 2021 included a tax benefit of $0.3 million. Excluding these items, adjusted net income for the fourth quarter of 2022 was $1.0 million, or $0.11 per diluted share, versus adjusted net income of $0.7 million, or $0.10 per diluted share, for the same period last year.

FULL YEAR 2022 RESULTS

During the twelve months ended December 31, 2022, revenue was $161.7 million, a decrease of $20.2 million or 11.1% compared to the prior-year period, driven by inventory de-stocking and declines in the Bath Furniture segment, partially offset by pricing gains and growth in Other products.

- Sanitaryware revenue was $104.8 million during the full year 2022, unchanged compared to the prior-year period, as growth in the United States was offset by pressure in Canada.

- Bath Furniture revenue was $29.5 million during the full year 2022, a decrease of 47% compared to the prior-year period. The revenue pressure was a result of a more significant inventory correction in the channel combined with some more pronounced end market softness.

- Other revenue was $27.4 million during the full year 2022, an increase of 23% compared to the prior-year period, primarily driven by strength in the Company's shower systems and kitchen cabinetry businesses.

During the twelve months ended December 31, 2022, gross profit was $31.5 million, a decrease of 2.2% compared to the prior-year period, as the decline in volumes was offset by pricing gains, more favorable mix, and lower freight costs. Gross profit margin improved to 19.5% during the full year 2022, up 180 basis points from the prior-year period, owing to an improved product mix, pricing gains, and a reduction in freight costs versus the elevated levels experienced last year.

Operating income was $5.1 million during 2022, down from $7.7 million in the prior-year period. Operating income during the full year 2022 included non-recuring charges of $0.6 million related to a one-time bonus expense related to our IPO, arbitration costs and anti-dumping expenses, while full year 2021 results included non-recurring gain of $1.9 million related to PPP loan and tax benefits. Excluding these items, adjusted operating income was $5.7 million during the full year 2022, down $2.1 million or 27.4% from the prior-year period. The decline in operating income was driven by the reduction in revenue and higher general and administrative costs following the Company's IPO, partially offset by the gross margin recovery. As a result, operating margin was 3.2% during 2022, down from 4.3% in the prior year. Adjusted operating margin was 3.5% during 2022, down from 4.3% last year.

For the twelve months ended December 31, 2022, the Company reported GAAP net income of $3.7 million, or $0.39 per diluted share, versus net income of $7.9 million, or $1.13 per diluted share, in the prior-year period. Net income for the full year 2022 included after-tax expense of $0.5 million related to a non-recurring IPO bonus expense, arbitration costs and anti-dumping expenses, while the full year 2021 included after-tax benefit of $1.6 million related to PPP loan and tax benefits. Excluding these items, adjusted net income for the full year 2022 was $4.2 million, or $0.45 per diluted share, versus adjusted net income of $6.3 million, or $0.90 per diluted share, for the same period last year.

FINANCIAL RESOURCES AND LIQUIDITY

As of December 31, 2022, the Company had $10.1 million of cash and cash equivalents, total debt of $9.8 million and $13.7 million of availability under its credit facilities net of letters of credit. Combined with cash and cash equivalents, total liquidity was $23.8 million at December 31, 2022.

FINANCIAL GUIDANCE

We believe the long-term outlook for FGI's business and trends in the repair and remodel markets remain attractive; however, the inventory de-stocking and near-term macro pressures are likely to continue weighing on results in the short-term. As a result, the Company provides its fiscal 2023 guidance as follows:

- Total Revenue of $145 million and $163 million
- Total Adjusted Operating Income of $6.0 million and $6.8 million
- Total Adjusted Net Income of $4.2 million to $4.7 million

The Company's 2023 guidance includes roughly $0.5 million of costs related to investments in a new kitchen program. Guidance for adjusted operating income and adjusted net income is presented on an adjusted basis and excludes non-recurring items. All guidance is current as of the time provided and is subject to change.

FOURTH QUARTER CONFERENCE CALL

FGI will conduct a conference call on Tuesday, March 28 at 8:00 am Eastern Time to discuss the quarterly results.

A webcast of the conference call and accompanying presentation materials will be available in the Investor Relations section of the Company's corporate website at https://investor.fgi-industries.com. To listen to a live broadcast, go to the site at least 15 minutes prior to the scheduled start time in order to register and download and install any necessary audio software.

To participate in the live teleconference:

Toll Free:	1-844-826-3035
International Live:	1-412-317-5195

To listen to a replay of the teleconference, which will be available through April 11, 2023:

Domestic Replay:	1-844-512-2921
International Replay:	1-412-317-6671
Conference ID:	10176084

ABOUT FGI INDUSTRIES

FGI Industries Ltd. (Nasdaq: FGI) is a leading global supplier of kitchen and bath products. For over 30 years, we have built an industry-wide reputation for product innovation, quality, and excellent customer service. We are currently focused on the following product categories: sanitaryware (primarily toilets, sinks, pedestals and toilet seats), bath furniture (vanities, mirrors and cabinets), shower systems, customer kitchen cabinetry and other accessory items. These products are sold primarily for repair and remodel activity and, to a lesser extent, new home or commercial construction. We sell our products through numerous partners, including mass retail centers, wholesale and commercial distributors, online retailers and specialty stores.

FORWARD-LOOKING STATEMENTS

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The use of words such as “anticipate,” “expect,” “could,” “may,” “intend,” “plan”, “see” and “believe,” among others, generally identify forward-looking statements. These forward-looking statements include, among others, statements regarding FGI’s guidance, the Company’s growth strategies, outlook and potential acquisition activity, the effect of the COVID-19 pandemic and the associated impact on the national and global economy, the effect of supply chain disruptions and freight costs and estimates of customer de-stock and timing of market recoveries. These forward-looking statements are based on currently available operating, financial, economic and other information, and are subject to a number of risks and uncertainties. Readers are cautioned that these forward-looking statements are only predictions and may differ materially from actual future events or results. A variety of factors, many of which are beyond our control, could cause actual future results or events to differ materially from those projected in the forward-looking statements in this release. For a full description of the risks and uncertainties which could cause actual results to differ from our forward-looking statements, please refer to FGI’s periodic filings with the Securities & Exchange Commission including those described as “Risk Factors” in FGI’s annual report on Form 10-K for the year ended December 31, 2022, and in quarterly reports on Form 10-Q filed thereafter. FGI does not undertake any obligation to update forward-looking statements whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

INVESTOR CONTACT

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FGI INDUSTRIES LTD.
CONSOLIDATED BALANCE SHEETS

	As of December 31, 2022 USD	As of December 31, 2021 USD
ASSETS		
CURRENT ASSETS		
Cash	$ 10,067,428	$ 3,883,896
Accounts receivable, net	14,423,800	26,350,650
Inventories, net	13,292,591	21,263,961
Prepayments and other current assets	2,588,081	1,546,623
Prepayments and other receivables – related parties	5,515,708	3,119,822
Total current assets	45,887,608	56,164,952
PROPERTY AND EQUIPMENT, NET	1,269,971	387,655
OTHER ASSETS		
Intangible assets	—	42,683
Operating lease right-of-use assets, net	9,815,572	8,087,969
Deferred tax assets, net	1,265,539	1,478,589
Other noncurrent assets	2,128,240	2,989,012
Total other assets	13,209,351	12,598,253
Total assets	$ 60,366,930	$ 69,150,860
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term loans	$ 9,795,052	$ 14,657,280
Accounts payable	14,718,969	32,009,851
Accounts payable – related parties	104,442	—
Income tax payable	33,350	1,220,939
Operating lease liabilities – current	1,543,031	1,315,848
Accrued expenses and other current liabilities	3,580,359	5,512,438
Total current liabilities	29,775,203	54,716,356
OTHER LIABILITIES		
Operating lease liabilities – noncurrent	7,847,317	6,884,794
Total liabilities	37,622,520	61,601,150
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Preference Shares ($0.0001 par value, 10,000,000 shares authorized, no shares issued and outstanding as of December 31, 2022 and December 31, 2021)	—	—
Ordinary shares ($0.0001 par value, 200,000,000 shares authorized, 9,500,000 and 7,000,000 shares issued and outstanding as of December 31, 2022 and December 31, 2021*)	950	700
Parent's net investment	—	7,549,010
Additional paid-in capital	20,459,859	—
Retained earnings	3,679,920	—
Accumulated other comprehensive loss	(1,396,319)	—
Total shareholders' equity	22,744,410	7,549,710
Total liabilities and shareholders' equity	$ 60,366,930	$ 69,150,860

* Shares and per share data are presented on a retroactive basis to reflect the reorganization including the initial public offering on January 27, 2022.

The accompanying notes are an integral part of these consolidated financial statements.

FGI INDUSTRIES LTD.
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

	For the Three Months Ended December 31, (Unaudited)		For the Years Ended December 31,	
	2022	2021	2022	2021
	USD	USD	USD	USD
REVENUES	$ 31,790,227	$ 52,190,590	$ 161,718,543	$ 181,743,027
COST OF REVENUES	24,267,371	44,623,152	130,209,538	149,740,619
GROSS PROFIT	7,522,856	7,567,438	31,509,005	32,202,408
OPERATING EXPENSES				
Selling and distribution	4,224,614	5,000,963	17,533,028	17,636,820
General and administrative	2,028,729	1,694,097	7,830,023	6,194,789
Research and development	265,922	159,913	1,053,976	646,069
Total operating expenses	6,519,265	6,854,973	26,417,027	24,477,678
INCOME FROM OPERATIONS	1,003,591	712,465	5,091,978	7,724,730
OTHER INCOME (EXPENSES)				
Interest income	2,720	26,433	3,159	37,143
Interest expense	(202,573)	(123,330)	(600,798)	(411,185)
Other income, net	(58,310)	71,308	46,211	1,516,862
Total other (expenses) income, net	(258,163)	(25,589)	(551,428)	1,142,820
INCOME BEFORE INCOME TAXES	745,428	686,876	4,540,550	8,867,550
PROVISION FOR INCOME TAXES				
Current	(66,021)	93,675	658,694	1,183,282
Deferred	104,394	(447,586)	201,936	(221,648)
Total provision for income taxes	38,373	(353,911)	860,630	961,634
NET INCOME	707,055	1,040,787	3,679,920	7,905,916
OTHER COMPREHENSIVE INCOME				
Foreign currency translation adjustment	264,734	88,726	(741,587)	59,071
COMPREHENSIVE INCOME	$ 971,789	$ 1,129,513	$ 2,938,331	$ 7,964,987
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES				
Basic*	9,500,000	7,000,000	9,335,616	7,000,000
Diluted*	9,508,750	7,000,000	9,341,921	7,000,000
EARNINGS PER SHARE				
Basic*	0.07	0.15	$ 0.39	$ 1.13
Diluted*	$ 0.07	$ 0.15	$ 0.39	$ 1.13

* Shares and per share data are presented on a retroactive basis to reflect the reorganization finalized immediately prior to the initial public offering on January 27, 2022.

FGI INDUSTRIES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,	
	2022	2021
	USD	USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 3,679,920	$ 7,905,916
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Depreciation and amortization	218,662	287,078
Share-based compensation	383,572	—
Provision for doubtful accounts	261,381	30,825
(Reversal of) provision of defective return	(1,696,263)	2,073,991
Foreign exchange transaction loss	7,417	234,742
Adjustment for Right-of-use assets	(2,552,649)	—
Gain on Forgiveness of PPP loan	—	(1,680,900)
Deferred income taxes	213,050	(215,194)
Loss on disposal of property and equipment	—	14,825
Changes in operating assets and liabilities		
Accounts receivable	13,361,732	(11,117,186)
Inventories	7,971,370	(12,955,619)
Prepayments and other current assets	(2,886,225)	(741,286)
Prepayments and other receivables – related parties	(593,591)	137,700
Other noncurrent assets	860,770	(2,818,008)
Income taxes	(1,187,589)	640,903
Right-of-use assets	825,047	1,223,307
Accounts payable	(17,290,882)	12,499,578
Accounts payable-related parties	104,442	—
Operating lease liabilities	1,189,706	(1,241,473)
Accrued expenses and other current liabilities	(1,889,605)	2,503,480
Net cash provided by (used in) operating activities	980,265	(3,217,321)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property and equipment	400	5,949
Purchase of property and equipment	(1,064,223)	(57,839)
Net cash used in investing activities	(1,063,823)	(51,890)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayments of) proceeds from revolving credit facility	(4,862,228)	5,263,799
Net proceeds from issuance of ordinary shares in IPO	11,872,796	—
Net changes in parent company investment	—	(1,946,973)
Net cash provided by financing activities	7,010,568	3,316,826
EFFECT OF EXCHANGE RATE FLUCTUATION ON CASH	(743,478)	(182,277)
NET CHANGES IN CASH	6,183,532	(134,662)
CASH, BEGINNING OF PERIOD	3,883,896	4,018,558
CASH, END OF PERIOD	$ 10,067,428	$ 3,883,896
	—	—
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid during the period for interest	(755)	(406,859)
Cash paid during the period for income taxes	(1,835,823)	(545,095)
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Net changes in parent company investment	—	(1,946,973)

Non-GAAP Measures

In addition to the measures presented in our consolidated financial statements, we use the following non-GAAP measures to evaluate our business, measure our performance, identify trends affecting our business and assist us in making strategic decisions. Our non-GAAP measures are: Adjusted Operating Income, Adjusted Operating Margins and Adjusted Net Income. These non-GAAP financial measures are not prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). They are supplemental financial measures of our performance only, and should not be considered substitutes for net income, income from operations or any other measure derived in accordance with GAAP and may not be comparable to similarly titled measures reported by other entities.

We define Adjusted Operating Income as GAAP income from operations excluding the impact of certain non-recurring expenses, including expenses related to COVID-19 protocols, non-recurring compensation expenses related to our IPO, and one-time anti-dumping penalty expenses. We define Adjusted Net Income as GAAP net income excluding the tax-effected impact of certain non-recurring expenses and income such as expenses related to COVID-19 protocols, unusual litigation fees and non-recurring compensation expenses related to our IPO. We define Adjusted Operating Margins as adjusted income from operations divided by revenue.

We use these non-GAAP measures, along with U.S. GAAP measures, to evaluate our business, measure our financial performance and profitability and our ability to manage expenses, after adjusting for certain one-time expenses, identify trends affecting our business and assist us in making strategic decisions. We believe these non-GAAP measures, when reviewed in conjunction with U.S. GAAP financial measures, and not in isolation or as substitutes for analysis of our results of operations under U.S. GAAP, are useful to investors as they are widely used measures of performance and the adjustments we make to these non-GAAP measures provide investors further insight into our profitability and additional perspectives in comparing our performance over time on a consistent basis.

The following table reconciles Income from Operations to Adjusted Operating Income and Adjusted Operating Margins, as well as Net income to Adjusted Net Income for the periods presented.

Commented [1]: The press release refers to "Adjusted Operating Income" rather than "Adjusted Income from Operations". Please revise the chart to match.

	For the three months ended December 31,		For the year ended December 31,	
	2022	2021	2022	2021
Operating income	1,003,590	712,465	5,091,978	7,724,730
Adjustments:				
Non-recurring IPO-related compensation		—	255,871	—
Arbitration legal fee	221,258	—	221,258	—
Anti-dumping penalty	124,865	—	124,865	—
COVID one-time expenses	—		—	115,900
Adjusted operating income	1,349,713	712,465	5,693,972	7,840,630
Revenue	31,790,227	52,190,590	161,718,543	181,943,027
Adjusted operating margins	4.3 %	1.4 %	3.5 %	4.3 %

	For the three months ended December 31,		For the year ended December 31,	
	2022	2021	2022	2021
Net Income	707,054	1,040,787	3,679,920	7,905,915
Adjustments:				
Non-recurring IPO-related compensation	—	—	255,871	—
Arbitration legal fee	221,258	—	221,258	—
Anti-dumping penalty	124,865	—	124,865	—
COVID one-time expenses	—	—	—	115,900
Other income (PPP Loan)	—	—	—	-1,680,900
Total	1,053,177	1,040,787	4,281,914	6,340,916
Tax impact of adjustment at 18% effective rate	-62,302	—	-108,359	281,700
GILTI high tax re-selection		-338,044		-338,044
Adjusted net income	990,875	702,743	4,173,555	6,284,572