

# QUARTERLY REPORT



**John Herring, Chairman and CEO,  
A-1 Global Holdings, Inc.**

Time flies! As we reflect on the past year, it's remarkable to note our achievements: a significant double-digit increase in production, an expanded team, investment in cutting-edge production equipment, and the introduction of groundbreaking machinery. We're gearing up for a challenging yet promising 2024.

## **Using Technology to Change the Way America Builds Homes™**

What exactly do we mean by that? Our approach centers around off-site construction, encompassing design, manufacturing, and delivery, with minimal waste and labor requirements. This strategy leads to shorter cycle times, enhanced quality, elimination of waste, and reduced costs.

Let's start with design. At Whole House Engineering, an affiliate of A-1, we're taking a significant step forward in our design process by integrating Building Information Modeling (BIM) software. This strategic implementation at the outset promises to streamline our

workflow, significantly reducing time spent in later stages. With BIM, we gain comprehensive and detailed information accessible throughout the entire lifecycle of a project, whether it's a single building, a complex, or a residential model we plan to replicate hundreds of times.

This integration empowers us with precise material takeoffs and the flexibility to modify materials as needed, effortlessly and accurately. It enhances our ability to tackle HVAC and structural challenges, leverages 3D modeling for approvals, and significantly improves both the speed and precision of our truss design. For builders, this translates into a powerful, efficient tool, ensuring exponential returns with each structure built using our system.

Next is the manufacturing stage. Using this software, we will integrate right into our software, Viper, saving time and money, and allowing us to add new product lines. As we speak, A-1 is planning on developing the wall panel product line. This is a huge investment; however, our customers are demanding we do this and do it now; and no one can do it better than A-1 Industries. We are looking at all production lines, including introducing robotics, minimizing labor, and providing the most output per wall line ever seen.

Our commitment to zero waste is unwavering. We must stop creating construction Landfills from leftover material on job sites! As I stated before, the homebuilding industry has created a billion-dollar industry of waste! Insane!!! When we build a truss, and EZWALL® package, or a wall panel in the future, we will use every single ounce of fiber we buy. From long pieces, we retrieve and use cutoff materials from 10 to 23 inches. Below 10 inches, it is either ground up for horse shavings, landscape mulch, or ground up and sold for making paper. If we have a twisted 10' board, we cut it into small pieces. If it has a defect, that board is used in shorts. It does not go into the dumpster. When we produce EZWALL®, we quality control the studs, and if they are crooked, we cut it into crimples and blocking. So, on and on, you can see from the beginning to the end of manufacturing, our purpose is to precision manufacture, efficiently build, and have no waste.

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To summarize, who has the mantra to reduce costs and do things better, cleaner, and effectively and for less? Only those who manufacture can do this. It does not pay the sub of a sub of a sub to do this. He just has to perform. And to allow him to perform, that process is best that he has extra material so he CAN perform. This is called the Waste Factor. With panels, there is no waste, and in the future is wiring, drywall, and plywood all precision cut, and sent numbered ready for installation.

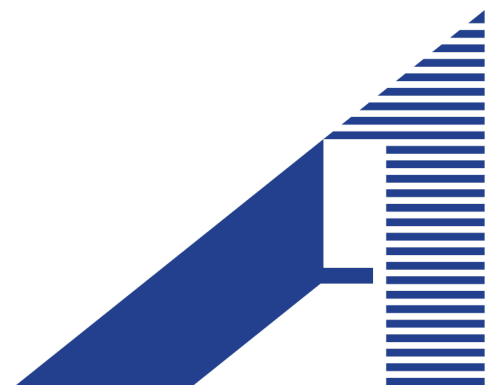
Our customers are the driving force behind the demand for EZWALL® innovation and panelized solutions, citing labor quality and efficiency as key factors. Their endorsement and growing adoption signal a significant shift in the industry.

Next quarter, I'll delve into the state of America's truss and manufacturing industry. With 46 years of experience, I deeply understand its evolution and trajectory. Our goal to be a "100-Year Company" is not just a slogan. It's a commitment to enduring excellence and innovation. Stay tuned for insights in Q1 of 2024!

Wishing everyone a prosperous 2024. Thank you for your continued support and business.



**John Herring**  
Chairman and CEO,  
A-1 Global Holdings, Inc.



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