
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2023**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number **001-39268**



NN, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

**6210 Ardrey Kell Road, Suite 120
Charlotte, North Carolina**

(Address of principal executive offices)

62-1096725

(I.R.S. Employer Identification No.)

28277

(Zip Code)

Registrant's telephone number, including area code **(980) 264-4300**

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, par value \$0.01	NNBR	The Nasdaq Stock Market LLC

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 file). 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 the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

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 Act). Yes No

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant was approximately \$77.4 million as of June 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter, computed using the closing price of the registrant's common stock as quoted on the Nasdaq Stock Market LLC on that date of \$2.39. Solely for purposes of making this calculation, shares of the registrant's common stock held by named executive officers, directors and 5% or greater stockholders of the registrant as of such date have been excluded because such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for any other purposes.

As of February 28, 2024, there were 49,165,450 shares of the registrant's common stock, par value \$0.01 per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement with respect to the 2024 Annual Meeting of Stockholders are incorporated by reference in Part III, Items 10 to 14 of this Annual Report on Form 10-K as indicated herein. Such proxy statement will be filed with the Securities and Exchange Commission within 120 days of the registrant's fiscal year ended December 31, 2023.

NN, Inc.
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Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K (this “Annual Report”) contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which are intended to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and include this statement for purposes of complying with these safe harbor provisions. These statements may discuss goals, intentions and expectations as to future trends, plans, events, results of operations or financial condition, or state other information relating to NN, Inc. (the “Company”), based on current beliefs of management as well as assumptions made by, and information currently available to, management. Forward-looking statements generally will be accompanied by words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “forecast,” “guidance,” “intend,” “may,” “possible,” “potential,” “predict,” “project” or other similar words, phrases or expressions. Forward-looking statements involve a number of risks and uncertainties that are outside of management’s control and that may cause actual results to be materially different from such forward-looking statements. Such factors include, among others, general economic conditions and economic conditions in the industrial sector; the impacts of pandemics, epidemics, disease outbreaks and other public health crises on our financial condition, business operations and liquidity; competitive influences; risks that current customers will commence or increase captive production; risks of capacity underutilization; quality issues; material changes in the costs and availability of raw materials; economic, social, political and geopolitical instability, military conflict, currency fluctuation, and other risks of doing business outside of the United States; inflationary pressures and changes in the cost or availability of materials, supply chain shortages and disruptions, the availability of labor and labor disruptions along the supply chain; our dependence on certain major customers, some of whom are not parties to long-term agreements (and/or are terminable on short notice); the impact of acquisitions and divestitures, as well as expansion of end markets and product offerings; our ability to hire or retain key personnel; the level of our indebtedness; the restrictions contained in our debt agreements; our ability to obtain financing at favorable rates, if at all, and to refinance existing debt as it matures; new laws and governmental regulations; the impact of climate change on our operations; and cyber liability or potential liability for breaches of our or our service providers’ information technology systems or business operations disruptions. The foregoing factors should not be construed as exhaustive and should be read in conjunction with the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in this Annual Report and in any of the Company’s subsequent filings made with the Securities and Exchange Commission (the “SEC”). Any forward-looking statement speaks only as of the date of this Annual Report, and the Company undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law. New risks and uncertainties may emerge from time to time, and it is not possible for the Company to predict their occurrence or how they will affect the Company. The Company qualifies all forward-looking statements by these cautionary statements.

PART I

Item 1. Business

Introduction

NN, Inc., a Delaware corporation, is a diversified industrial company that combines advanced engineering and production capabilities with in-depth materials science expertise to design and manufacture high-precision components and assemblies for a variety of end markets on a global basis. As used in this Annual Report, the terms the “Company,” “we,” “our,” or “us” refer to NN, Inc., and its subsidiaries. As of December 31, 2023, we had 27 facilities in North America, South America, Europe, and China.

Our enterprise and management structure is designed to accelerate growth and further balance our portfolio by aligning our strategic assets and businesses. Our businesses are organized into the Mobile Solutions and Power Solutions groups and are based principally on the end markets they serve.

Business Segments and Products

Mobile Solutions

Mobile Solutions is focused on growth in the automotive, general industrial, and medical end markets. We have developed an expertise in manufacturing highly complex, tight tolerance, system critical components. Our technical capabilities can be utilized in numerous applications including for use in battery electric, hybrid electric, and internal combustion engine vehicles. The group currently manufactures components on a high-volume basis for use in power steering, braking, transmissions, and gasoline fuel system applications, along with components utilized in heating, ventilation and air conditioning and diesel injection and diesel emissions treatment applications. This expertise has been gained through investment in technical capabilities, processes and systems, and allows us to provide skilled program management and product launch capabilities.

Power Solutions

Power Solutions is focused on growth in the electrical, general industrial, automotive, and medical end markets. Within this group we combine materials science expertise with advanced engineering and production capabilities to design and manufacture a broad range of high-precision metal and plastic components, assemblies, and finished devices used in applications ranging from power control to transportation electrification. We manufacture a variety of products including electrical contacts, connectors, contact assemblies, and precision stampings for the electrical end market and high precision products for the aerospace and defense end market utilizing our extensive process technologies for optical grade plastics, thermally conductive plastics, titanium, Inconel, magnesium, and electroplating. Our medical business includes the production of a variety of tools and instruments for the orthopaedics and medical/surgical end markets.

Competitive Strengths

High-precision manufacturing capabilities

We believe our ability to produce high-precision parts at high production volumes is among the best in the market. Our technology platform consists of high precision machining, progressive stamping, injection molding, laser welding, material science, assembly, and design optimization. In-house tool design and process know-how create trade secrets that enable consistent production tolerances of less than one micron while producing millions of parts per day. Parts are manufactured to application-specific customer design and co-design standards that are developed for a specific use. The high-precision capabilities are part of our zero-defect design process, which seeks to eliminate variability and manufacturing defects throughout the entire product lifecycle. We believe our production capabilities provide a competitive advantage as few other manufacturers are capable of meeting tolerance demands at any volume level requested by our customers. As the need for tight-tolerance precision parts, subassemblies, and devices continues to increase, we believe that our production capabilities will place us at the forefront of the industry. We have differentiated ourselves among our competitors by providing customers engineered solutions and a broad reach and breadth of manufacturing capabilities. We believe it is for these reasons, and because of our proven ability to produce high-quality, precision parts and components on a cost-effective basis, that customers choose us to meet their manufacturing needs.

Differentiated, system-critical products

The tight-tolerance and high-quality nature of our precision products is specifically suited for use in the most demanding applications that require superior reliability. Our products are critical components to the operation and reliability of larger mechanical systems. Precision parts are difficult to manufacture and the high cost of failure motivates our customers to focus on quality. Our products are developed for specific uses within critical systems and are typically designed in conjunction with the system designer. Our parts are often qualified for, or specified in, customer designs, reducing the ability for customers to change suppliers.

Our ability to make products with tight-tolerance and extreme precision requirements enables our customers to satisfy the critical functionality and performance requirements of their products. We are included in customer designs and deployed in critical systems that involve high cost of failure applications and significant regulatory certification processes, including those for the Underwriters Laboratories.

Complete product lifecycle focus

Our engineering expertise and deep knowledge of precision manufacturing processes adds proprietary value throughout the complete lifecycle of our products. Our in-house engineering team works closely with our customers to provide parts that meet specific design specifications for a given application. The relationship with the customer begins early in the conceptual design process when we provide feedback on potential cost, manufacturability, and estimated reliability of the parts. Part designs are then prototyped, tested, and qualified in coordination with the customer design process before going to full-scale production. The close working relationship with our customers early in the product lifecycle helps to secure business, increase industry knowledge, and develop significant trade secrets. Performance verification, product troubleshooting, and post-production engineering services further deepen relationships with our customers as well as provide additional industry knowledge that is applicable to future design programs and provide continuous manufacturing process improvement.

Prototype products are developed for testing, and process validation procedures are instituted. In certain instances, we will file for regulatory production approval and include the customer's proprietary processes, further reducing supplier changes. We will assist the customer with continuous supply chain management and comprehensive customer support for the lifetime of the product and continuously seek to identify new operational efficiencies to reduce the product's cost and improve its quality. Once our solution is designed into a platform, it is often embedded through the multi-year manufacturing lifecycle and has a competitive advantage in supporting subsequent platforms. As an added benefit, customers generally fund development, prototypes, and manufacturing tooling expenses. This discourages supplier changes and drives recurring revenue for us.

Long-term blue-chip customer base

We maintain relationships with hundreds of customers around the world. Our customers are typically sophisticated, engineering-driven, mechanical systems manufacturers with long histories of product development and reputations for quality. We have no significant retail exposure, which limits volatility and provides enhanced sales visibility. Relationships with many of our largest customers, in terms of revenue, average more than ten years. We have significant exposure to emerging markets in Asia, South America, and Europe through these global customers as well as key local manufacturers. The diverse nature, size, and reach of our customer base provides resistance to localized market and geographic fluctuations and helps stabilize overall product demand.

Strategic global footprint

Our 27 facilities, on four continents, are strategically located to serve our customer base and provide local service and expertise. Our global footprint provides flexibility to locally supply identical products for global customers, reducing shipping time and expense, allowing us to match costs to revenue and to capitalize on industry localization trends. In total, we operate more than 1.8 million square feet of manufacturing space. North America constitutes the largest portion of our manufacturing operations with facilities in the U.S. and Mexico which are strategically located to serve major customers in those markets. Our foreign facilities are located in regional manufacturing hubs in France, Poland, China, and Brazil, and primarily serve global customers in those markets. We believe that the Chinese and South American facilities have significant growth potential as local customer bases expand and the markets for high-precision products grow in those regions.

Synergies

We continue to realize synergy effects between Mobile Solutions and Power Solutions by pairing our experienced engineering resources and wide-ranging portfolio of process technologies from each business to serve our customers' ever evolving needs. Recent solutions developed in the electrical, electric vehicle, and general industrial markets leveraged the deep experience and expertise from each business to respond to tight, stringent requirements - all of which in a custom and innovative manner to meet each customer's unique demand requirements. In addition, we continue to experience customer demand that utilizes multiple facilities from both businesses on a global basis due to our track record of quality and strong performance.

Customers

Our products are supplied primarily to manufacturers for use in a broad range of industrial applications, including automotive; electrical; agricultural; construction; residential devices and equipment; aerospace and defense; medical; heating, ventilation, and air conditioning; and fluid power and diesel engines. Sales to each of our top ten customers are made to multiple customer locations and divisions throughout the world. In 2023, our top ten customers accounted for approximately 47% of our net sales. In 2023, 67% of our products were sold to customers in North America, 14% to customers in Asia, 10% to customers in South America, and 9% to customers in Europe.

We sell our products to most of our largest customers under either sales contracts or agreed upon commercial terms. In general, we pass through material cost fluctuations when incurred to our customers in the form of changes in selling prices. We

ordinarily ship our products directly to customers within 60 days, and in many cases, during the same calendar month of the date on which a sales order is placed.

Sales and Marketing

A primary emphasis of our marketing strategy is to expand key customer relationships by offering high quality, high-precision, application-specific customer solutions with the value of a single supply chain partner for a wide variety of products and components. Due to the technical nature of many of our products, our engineers and manufacturing management personnel also provide technical sales support functions, while internal sales employees handle customer orders and other general sales support activities. Our marketing strategy is to offer custom manufactured, high quality, precision products to markets with high value-added characteristics at competitive price levels. This strategy focuses on relationships with key customers that require the production of technically difficult parts and assemblies, enabling us to take advantage of our strengths in custom product development, equipment and tool design, component assembly, and machining processes.

Human Capital Management

Core Principles

Our success depends in part on our ability to successfully manage our human capital resources, including attracting, identifying, and retaining key talent. Factors that may affect our ability to attract and retain qualified employees include employee morale, our reputation, competition from other employers, and availability of qualified individuals in the communities in which we operate.

Headcount

As of December 31, 2023, we employed a total of 2,926 full and part-time employees and 234 temporary workers, which includes 1,177 employees in the U.S. and 1,983 employees in other countries employed by our international subsidiaries. Of our total employment, approximately 12% are management/staff employees and 88% are production employees. Our employees in the France, Brazil, and Mexico City plants are subject to labor council relationships that vary due to the diverse countries in which we operate. We believe we have a good working relationship with our employees and the unions that represent them.

Diversity, Equity, and Inclusion

Diversity, equity, and inclusion are at the core of our values and strategic business priorities. Throughout our business, we champion equality, supporting parity for women and under-represented groups as we work to create ethical, safe, and supportive workplaces where our employees thrive. We believe a diverse and inclusive workplace results in business growth and encourages increased innovation, retention of talent, and a more engaged workforce. Respect for human rights is fundamental to our business and our commitment to ethical business conduct, as is embodied by our Human Rights Policy, which sets forth our expectations related to workplace discrimination; diversity, equity and inclusion; workplace conditions; and freedom of association.

Compensation, Benefits, and Employee Health and Safety

Our compensation programs are based on a strong alignment between pay and performance, and are designed to reward both financial and operational successes and support actions that drive stockholder value creation at all organizational levels. We use a combination of programs (which vary by geography and level) to attract and retain our employees, including annual performance bonuses, quarterly gainsharing bonuses, and equity awards.

We also provide our employees and their families access to a range of benefits, including health insurance benefits, employer-paid life and disability insurance, health savings and flexible spending accounts, 401(k) match, vacation and paid time off, wellness offerings, education assistance, and an employee assistance program.

The health and safety of our employees and anyone who conducts business on our behalf is very important to us. Our commitment to safety starts at the top levels of our organization. We believe a safe and secure workplace is fundamental to our success. We are also committed to engaging our employees to continually improve health and safety by acting upon opportunities to reduce risk and improve our safety and health performance. In addition we offer training programs on a regular basis. We maintain comprehensive safety programs focused on identifying hazards and eliminating risks that can lead to work-place injuries.

Talent Development

We invest resources in professional development to improve employee motivation, performance and engagement. Our annual talent management program helps identify needs at multiple levels, enabling us to provide employees with the resources they need to help achieve their career goals, build skills and lead their organizations. Further, annual goal-setting and development opportunities for employees and leaders helps our people align their professional experience with the Company's business objectives and encourages them to take ownership of their development and career paths.

We use regular talent management and performance evaluation processes to inform the Company's internal development processes and to calibrate assessment of individual performance organizationally. These activities form the basis for succession planning activities, up to and including the senior leadership level.

We also have apprenticeships, internships, and cooperative education programs in place at certain locations, which we intend to expand more broadly across the company. These programs allow us to provide a combination of education and employment options that deliver depth and context and help them build a long-term career path.

Competition

Mobile Solutions

In the market in which Mobile Solutions operates, internal production of components by our customers can impact our business as the customers weigh the risk of outsourcing strategically critical components or producing in-house. Our primary competitors are: Anton Häring KG; A. Berger Holding GmbH & Co. KG; Brovedani Group, Burgmaier Technologies GmbH & Co. KG; CIE Automotive, S.A.; IMS Companies; and MacLean-Fogg Component Solutions. We believe that we generally win new business on the basis of our technical competence, proven track record of successful product development and global platform, as well as on quality, price, and service.

Power Solutions

Power Solutions operates in competitive but very fragmented supply chains. We must compete with numerous companies in each industry market segment. Our primary competitors are: Checon Corporation; Deringer-Ney, Inc.; Electrical Contacts, Ltd.; Interplex Industries, Inc.; J&J Machining, LLC; Norstan, Inc.; Owens Industries, Inc.; and Precinmac Precision Machining. We believe that competition within the electrical end market is based principally on quality, price, design capabilities, and speed of responsiveness and delivery. We believe that our competitive strengths are product development, tool design, fabrication, tight tolerance processes, and customer solutions. With these strengths, we have built our reputation in the marketplace as a quality producer of technically difficult products.

Raw Materials

Mobile Solutions

Mobile Solutions produces products from a wide variety of metals in various forms from various sources located in the North America, Europe, South America, and Asia. Basic types include hot rolled steel, cold rolled steel (both carbon and alloy), stainless, extruded aluminum, die cast aluminum, gray and ductile iron castings, hot and cold forgings, and mechanical tubing. Some material is purchased directly under contracts, some is consigned by the customer, and some is purchased directly from the steel mills.

Power Solutions

Power Solutions uses a wide variety of metals in various forms, including precious metals like gold, silver, palladium, and platinum, as well as plastics. Through our diverse network of suppliers, we minimize supplier concentration risk and provide a stable supply of raw materials at competitive pricing. This group also procures resins and metal stampings from several domestic and foreign suppliers. Power Solutions bases purchase decisions on quality, service and price. Generally, we do not enter into written supply contracts with our suppliers or commit to maintain minimum monthly purchases of materials. However, we carefully manage raw material price volatility, particularly with respect to precious metals, through the use of consignment agreements, which allow us to buy the precious metals on the same day customer shipments are priced, thereby eliminating risk of price changes from procurement to product shipment.

Supply and Cost Pressures

In each of our segments, we at times have been affected by upward price pressure on steel principally due to general increases in global demand. In general, we pass through material cost fluctuations to our customers in the form of changes in selling price. Most of the raw materials we use are purchased from various suppliers and are typically available from numerous sources, some of which are located in China and Europe. Supply chain disruptions, resulting in supply shortages and higher shipping charges, have impacted our suppliers and could continue to impact our ability to maintain supplies of products and the costs associated with obtaining raw materials and key components. We continue to monitor impacts on our supply chain in order to maintain regular and timely supply of raw materials to our business segments.

Patents, Trademarks and Licenses

We have several U.S. patents, patent applications and trademarks for various trade names. However, we cannot be certain that we would be able to protect and enforce our intellectual property rights against third parties, and if we cannot do so, we may face increased competition and diminished net sales.

Furthermore, third parties may assert infringement claims against us based on their patents or other intellectual property, and we may have to pay substantial damages and/or redesign our products if we are ultimately found to infringe. Even if such

intellectual property claims against us are without merit, investigating and defending these types of lawsuits takes significant time, may be expensive and may divert management attention from other business concerns.

Additionally, we rely on certain data and processes, including trade secrets and know-how, and the success of our business depends, to some extent, on such information remaining confidential. Each officer is subject to a non-competition and confidentiality agreement that seeks to protect this information. Additionally, all employees are subject to company code of ethics policies that prohibit the disclosure of information critical to the operations of our business.

Seasonal Nature of Business

General economic conditions impact our business and financial results, and certain businesses experience seasonal and other trends related to the industries and end markets that they serve. For example, European sales are often weaker in the summer months as customers slow production, automotive sales tend to slow in July and December, and sales to original equipment manufacturers are often stronger immediately preceding and following the launch of new products. However, as a whole, we are not materially impacted by seasonality.

Government Regulations and Environmental Matters

Our operations are subject to extensive federal, state, local, and foreign regulatory requirements, including those intended to protect public health and the environment. In the U.S. certain of our products and operations are regulated by the Environmental Protection Agency. Similar regulations have been adopted by authorities in foreign countries where we sell our products, and by state and local authorities in the U.S. In order to conduct our operations in compliance with these laws and regulations we must obtain and maintain numerous permits, approvals and certificates from various federal, state, local, and foreign governmental authorities.

We are also required to comply with increasingly complex and changing laws and regulations enacted to protect business and personal data in the U.S. and other jurisdictions regarding privacy, data protection, and data security, including those related to the collection, storage, use, transmission, and protection of personal information and other customer, supplier or employee data. Such privacy and data protection laws and regulations, and the interpretation and enforcement of such laws and regulations, are continuously developing and evolving and there is significant uncertainty with respect to how compliance with these laws and regulations may evolve and the costs and complexity of future compliance.

Based on information compiled to date, management believes that our current operations are in compliance with applicable governmental laws and regulations, the violation of which could have a material adverse effect on our business and financial condition. As of the date hereof, compliance with these laws and regulations has not had a material effect on our capital expenditures, results of operations, and competitive position. For additional information, see “Item 1A - Risk Factors.”

The potential impact of climate change on our operations is unclear. Climate change could result in an increase in severe weather events, such as hurricanes, tropical storms, blizzards and ice storms, which often results in delays or other negative consequences for our manufacturing operations, which could negatively impact our financial results. We have not identified any, and we do not believe there to be in the near term, material impacts on our business, financial condition or results of operations as a result of compliance with legislation or regulatory rules regarding climate change or from the known physical effects of climate change. Increased regulation and other climate change concerns, however, could subject us to additional costs and restrictions and could negatively affect our business, operations and financial results.

In May 2022, we released our inaugural Sustainability Report which established our global sustainability strategy. We conducted a comprehensive environmental, social and governance (“ESG”) materiality assessment to identify our most significant economic, environmental and social impacts. The material ESG topics identified during this process enable our organization to prioritize our investments and actions and provide meaningful disclosures. We continue to strengthen our focus towards providing meaningful disclosures through the publishing of our 2022 ESG Annual Report in June 2023, in which we identified specific actions that we have taken, and will continue to take, to address our ESG priorities. The information provided in our 2021 Sustainability Report and 2022 ESG Annual Report, as well as on our website, is not part of this Annual Report, and is therefore not incorporated by reference into this Annual Report or other filings with the SEC.

Information about our Executive Officers

The following table lists our executive officers as of February 28, 2024:

Name	Age	Position
Harold C. Bevis	64	President, Chief Executive Officer and Director
Michael C. Felcher	51	Senior Vice President and Chief Financial Officer
Timothy M. French	60	Senior Vice President and Chief Operating Officer
D. Gail Nixon	53	Senior Vice President and Chief Human Resources Officer

Harold C. Bevis was appointed President, Chief Executive Officer and Director in May 2023. Prior to joining the Company, Mr. Bevis served as President and Chief Executive Officer of Commercial Vehicle Group, Inc., from March 2020 to May 2023, and as a Director from June 2014 to May 2023. Mr. Bevis served as Chief Executive Officer of Boxlight Corporation from January 2020 to March 2020 and as a Director from March 2018 to March 2020. Previously, Mr. Bevis served as President of OmniMax International from October 2017 to February 2019 and President, Chief Executive Officer and Director of Xerium Technologies, Inc. from August 2012 to April 2017.

Michael C. Felcher has served the Company as Senior Vice President and Chief Financial Officer since July 2021. Mr. Felcher joined the Company in June 2018 and served as Vice President, Chief Accounting Officer until July 2021. Prior to joining the Company, Mr. Felcher served as the Vice President, North America Chief Financial Officer for JELD-WEN, Inc., a publicly held, global manufacturer of doors and windows, from 2013 to 2017. Previously, Mr. Felcher served in a variety of finance roles at United Technologies Corporation and Goodrich Corporation.

Timothy M. French was appointed Senior Vice President and Chief Operating Officer in August 2023. Prior to joining the Company, Mr. French was President of Synergein Solutions Limited, which provides executive and C-suite level interim management and consulting services to manufacturing companies, from September 2018 to August 2023. Previously, Mr. French served as Chief Operating Officer at ProAmpac, a leading global flexible packaging company, from 2010 to 2018.

D. Gail Nixon has served the Company as Senior Vice President and Chief Human Resources Officer since January 2018. Ms. Nixon joined the Company in 2007 and previously served as our Vice President of Human Resources as well as Corporate Human Resources Manager. Ms. Nixon is a member of the Society for Human Resource Management (“SHRM”) and has earned her Senior Professional in Human Resources and SHRM – Senior Certified Professional designations.

Available Information - SEC Filings

We make available free of charge, in the “Investor Relations” section of our website (www.nninc.com), our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after electronically filing such material with, or furnishing it to, the SEC.

Item 1A. Risk Factors

The following risks and uncertainties may have a material effect on our business, prospects, financial condition, results of operations, and cash flows, and should be considered in connection with the other information contained in this Annual Report on Form 10-K. If any of the events described below were to actually occur, our business, prospects, financial condition, results of operations, or cash flows could be adversely affected, and results could differ materially from expected and historical results. The risks and uncertainties described below are not the only risks facing our company. Risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, prospects, financial condition, results of operations, and cash flows.

Risks Related to Our Operations

We depend heavily on a relatively limited number of customers, and the loss of any major customer would have a material adverse effect on our business.

During 2023, sales to various U.S. and foreign divisions of our ten largest customers accounted for approximately 47% of our consolidated net sales. The loss of all or a substantial portion of sales to these customers would cause us to lose a substantial portion of our revenue and would lower our operating profit margin and cash flows from operations.

Work stoppages or similar difficulties and unanticipated business disruptions could significantly disrupt our operations, reduce our revenues and materially affect our earnings.

We have a complex network of suppliers, owned and leased manufacturing locations, co-manufacturing locations, distribution networks, and information systems that support our ability to consistently provide our products to our customers. Factors that are hard to predict or beyond our control, such as supply chain disruptions, weather, raw material shortages, natural disasters, fires or explosions, political unrest, terrorism, generalized labor unrest, including strikes at our suppliers, customers or end-users or public health crises could damage or disrupt our operations or our customers', suppliers', co-manufacturers' or distributors' operations. These disruptions may require additional resources to restore our supply chain or distribution network. If we cannot respond to disruptions in our operations, whether by finding alternative suppliers or replacing capacity at key manufacturing or distribution locations, or if we are unable to quickly repair damage to our information, production, or supply systems, we may be late in delivering, or be unable to deliver, products to our customers and may also be unable to track orders, inventory, receivables, and payables. If that occurs, our customers' confidence in us and long-term demand for our products could decline. Any of these events could materially and adversely affect our product sales, financial condition, and operating results.

We operate in and sell products to customers outside the U.S. and are subject to several risks related to doing business internationally.

We obtain a majority of our raw materials from overseas suppliers, actively participate in overseas manufacturing operations and sell to a large number of international customers. During the year ended December 31, 2023, sales to customers located outside of the U.S. accounted for 40% of our consolidated net sales. As a result of doing business internationally, we face risks associated with the following:

- changes in tariff regulations, which may make our products more costly to export or import;
- changes in monetary and fiscal policies, laws and regulations, and other activities of governments, agencies and similar organizations;
- recessions or marked declines specific to a particular country or region;
- the potential imposition of trade restrictions or prohibitions;
- the potential imposition of import tariffs or other duties or taxes;
- difficulties establishing and maintaining relationships with local original equipment manufacturers, distributors and dealers;
- difficulty in staffing and managing geographically diverse operations;
- political uncertainty, instability, civil unrest, government controls over certain sectors and human rights concerns in countries, including but not limited to, China, in which our suppliers, manufacturing operations, and customers are located; and
- changes in the geopolitical environment, wars, conflicts, or trade barriers or blockades in the European Union and Asia, which may adversely affect business activity and economic conditions globally and could continue to contribute to instability in global financial and foreign exchange markets, as well as disrupt the free movement of goods, services, and people between countries.

These and other risks may also increase the relative price of our products compared to those manufactured in other countries, thereby reducing the demand for our products in the markets in which we operate, which could have a material adverse effect on our business, prospects, financial condition, results of operations, or cash flows.

In addition, we could be adversely affected by violations of the Foreign Corrupt Practices Act (the “FCPA”) and similar worldwide anti-bribery laws, as well as export controls and economic sanction laws. The FCPA and similar anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. Our policies mandate compliance with these laws. We operate in many parts of the world that have experienced governmental corruption to some degree and, in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices. We cannot assure you that our internal controls and procedures will always protect us from the improper acts committed by our employees or agents. If we are found to be liable for FCPA, export control or sanction violations, we could suffer from criminal or civil penalties or other sanctions, including loss of export privileges or authorization needed to conduct aspects of our international business, which could have a material adverse effect on our business, prospects, financial condition, results of operations, or cash flows.

The prices we pay for raw materials used in our products may be impacted by tariffs. The tariffs initiated by the U.S. government in 2018 under Section 232 of the Trade Expansion Act of 1962 resulted in increased metals prices in the United States. We cannot predict whether, and to what extent, there may be changes to international trade agreements or whether quotas, duties, tariffs, exchange controls or other restrictions on our products will be changed or imposed. In addition, an open conflict or war across any region could affect our ability to obtain raw materials. The military conflicts (including the Russia/Ukraine conflict, the conflict in Israel and surrounding areas, and the Houthi movement in Yemen and the surrounding Red Sea region), and related sanctions, export controls or other actions that may be initiated by nations could adversely affect our business and our supply chain or our business partners or customers in other countries. If we are unable to source our products from the countries where we wish to purchase them, either because of the occurrence or threat of wars or other conflicts, regulatory changes or for any other reason, or if the cost of doing so increases, it could have a material adverse effect on our business, financial condition and results of operations. Disruptions in the supply of raw materials and components could temporarily impair our ability to manufacture our products for our customers or require us to pay higher prices to obtain these raw materials or components from other sources, which could have a material adverse effect on our business and our results of operations.

Failure of our products could result in a product recall.

The majority of our products are components of our customers’ products that are used in critical industrial applications. A failure of our components could lead to a product recall. If a recall were to happen as a result of our components failing, we could bear a substantial part of the cost of correction. In addition to the cost of fixing the parts affected by the component, a recall could result in the loss of a portion of or all of the customer’s business and damage our reputation. A successful product

recall claim requiring that we bear a substantial part of the cost of correction or the loss of a key customer could have a material adverse effect on our business, prospects, financial condition, results of operations, or cash flows.

Our markets are highly competitive, and many of our competitors have significant advantages that could adversely affect our business.

We face substantial competition in the sale of components, system subassemblies, and finished devices in the vertical end markets into which we sell our products. Our competitors are continuously exploring and implementing improvements in technology and manufacturing processes in order to improve product quality, and our ability to remain competitive will depend, among other things, on whether we are able to keep pace with such quality improvements in a cost-effective manner. Due to this competitiveness, we may not be able to increase prices for our products to cover cost increases. In many cases we face pressure from our customers to reduce prices, which could adversely affect our business, prospects, financial condition, results of operations, or cash flows. In addition, our customers may choose to purchase products from one of our competitors rather than pay the prices we seek for our products, which could adversely affect our business, prospects, financial condition, results of operations, or cash flows.

The loss of key personnel and the inability to attract and retain qualified employees could have a material adverse impact on our operations.

We are dependent on the continued services of key executives and personnel. The departure of our key personnel without adequate replacement could severely disrupt our business operations. Additionally, we need qualified managers and skilled employees with technical and manufacturing industry experience to operate our businesses successfully. From time to time, there may be shortages of skilled labor, which may make it more difficult and expensive for us to attract and retain qualified employees. If we are unable to attract and retain qualified individuals or our costs to do so increase significantly, our operations would be materially adversely affected.

A security breach or disruption to our information technology systems could materially adversely affect our business, financial condition, results of operations, and reputation.

We rely on proprietary and third-party information technology systems to process, transmit and store information and to manage or support our business processes. We store and maintain confidential financial and business information regarding us and persons with whom we do business on our information technology systems. We also collect and hold personally identifiable information of our employees in connection with their employment. In addition, we engage third-party service providers that may collect and hold personally identifiable information of our employees in connection with providing business services to us, including web hosting, accounting, payroll and benefit services. The protection of the information technology systems on which we rely is critically important to us. We take steps, and generally require third-party service providers to take steps, to protect the security of the information maintained in our and our service providers' information technology systems, including the use of systems, software, tools, and monitoring to provide security for processing, transmitting, and storing of the information. Despite our security measures and business continuity plans, we face risks associated with security breaches or disruptions to the information technology systems on which we rely, which could result from, among other incidents, attacks by hackers, computer viruses, malware (including "ransomware"), phishing attacks or breaches due to errors or malfeasance by employees, contractors and others who have access to these systems. Our third-party service providers could also be the source of a cybersecurity attack on, or breach of, our information technology systems. Techniques used in cybersecurity attacks to obtain unauthorized access, disable or sabotage information technology systems change frequently, as data breaches and other cybersecurity events have become increasingly commonplace, including as a result of the intensification of state-sponsored cybersecurity attacks during periods of geopolitical conflict.

The security measures put in place by us and our service providers cannot provide absolute security and there can be no assurance that we or our service providers will not suffer a data security incident in the future, that unauthorized parties will not gain access to sensitive information stored on our or our service providers' systems, that such access will not, whether temporarily or permanently, impact, interfere with, or interrupt our operations, or that any such incident will be discovered in a timely manner. Even the most well-protected information, networks, systems, and facilities remain potentially vulnerable as the techniques used in such attempted security breaches evolve and generally are not recognized until launched against a target, and in some cases are designed to not be detected and, in fact, may not be detected. In addition, third-party information technology providers may not provide us with fixes or updates to hardware or software in a manner as to avoid an unauthorized loss or disclosure or to address a known vulnerability, which may subject us to known threats or downtime as a result of those delays. Accordingly, we and our service providers may be unable to anticipate these techniques or to implement adequate security barriers or other preventative measures. Further, we may be required to expend significant additional resources to continue to enhance information security measures and internal processes and procedures or to investigate and remediate any information security vulnerabilities.

A data security incident could compromise our or our service providers' information technology systems, and the information stored by us or our service providers, including personally identifiable information of employees, could be accessed, misused, publicly disclosed, corrupted, lost, or stolen. Any failure to prevent a data breach or a security failure of our or our service providers' information technology systems could interrupt our operations, result in downtime, divert our planned efforts and resources from other projects, damage our reputation and brand, damage our competitive position, subject us to liability claims or regulatory penalties under laws protecting the privacy of personal information. Similarly, if our third-party service providers fail to use adequate security or data protection processes, or use personal information in an unpermitted or improper manner, we may be liable for certain losses and it may damage our reputation. Various events described above have occurred in the past and may occur in the future. Although impacts of past events have been immaterial, the impacts of such events in the future may materially and adversely affect our business, financial condition, or results of operations.

Pandemics, epidemics, disease outbreaks and other public health crises could materially adversely impact our business, financial condition, results of operations and cash flows.

Pandemics, epidemics or disease outbreaks in the U.S. or globally have disrupted, and may in the future disrupt, our business, which could materially affect our results of financial condition, results of operations and cash flows. Any such events may adversely impact our global supply chain and global manufacturing operations and cause us to again suspend our operations in countries and states where we operate. In particular, we have experienced, and could continue to experience, among other things: (1) global supply disruptions, especially in China; (2) labor disruptions; (3) an inability to manufacture; (4) an inability to sell and distribute our products to our customers; (5) a decline in customer demand during and following the pandemic, whether as a result of our inability to satisfy customer demand in a timely manner due to raw material shortages, supply chain disruptions, inflationary cost pressures, or work stoppages experienced by one or more of our customers; and (6) an impaired ability to access credit and the capital markets, especially in light of the rising interest rates. Any new pandemic or other public health crises, or future public health crises, could have a material impact on our business, financial condition, results of operations and cash flows going forward. To the extent any new pandemic or other public health crises adversely affects our business, financial condition, results of operation and cash flows, it may also have the effect of heightening other risks and uncertainties disclosed below.

Physical effects of climate change or legal, regulatory or market measures intended to address climate change could materially adversely affect our business and operations.

Risks associated with climate change are subject to increasing societal, regulatory and political focus in the U.S. and globally. Shifts in weather patterns caused by climate change could increase the frequency, severity, or duration of certain adverse weather conditions and natural disasters, such as hurricanes, tornadoes, earthquakes, wildfires, droughts, extreme temperatures, or flooding, which could result in more significant business and supply chain interruptions, damage to our products and facilities as well as the infrastructure of our customers, reduced workforce availability, increased costs of raw materials and components, increased liabilities, and decreased revenues than what we have experienced in the past from such events. In addition, increased public concern over climate change could result in new legal or regulatory requirements designed to mitigate the effects of climate change, which could include the adoption of more stringent environmental laws and regulations or stricter enforcement of existing laws and regulations. Such developments could result in increased compliance costs and adverse impacts on raw material sourcing, manufacturing operations, and the distribution of our products, which could adversely affect our business and operations.

If we are unable to secure and maintain patent or other intellectual property protection for our intellectual property, our ability to compete will be harmed.

We rely upon patents, copyrights, trademarks, and trade secret laws to establish and maintain its proprietary rights for various trade names. There can be no assurance that any of our patents, trademarks or other intellectual property rights will not be challenged, invalidated, or circumvented, or that any rights granted thereunder will provide competitive advantages to us. In addition, there can be no assurance that patents will be issued from pending patent applications filed by us or that claims allowed on any future patents will be sufficiently broad to protect us from infringement. Further, the laws of some foreign countries may not permit the protection of our proprietary rights to the same extent as do the laws of the U.S.

Risks Related to Legal and Regulatory Compliance

Environmental, health and safety laws and regulations impose substantial costs and limitations on our operations, environmental compliance may be more costly than we expect, and any adverse regulatory action may materially adversely affect our business.

We are subject to extensive federal, state, local, and foreign environmental, health, and safety laws and regulations concerning matters such as air emissions, wastewater discharges, solid and hazardous waste handling, and disposal and the investigation and remediation of contamination. The risks of substantial costs, liabilities, and limitations on our operations related to compliance with these laws and regulations are an inherent part of our business, and future conditions may develop, arise or be discovered that create substantial environmental compliance or remediation liabilities and costs.

Our business activities are subject to various laws and regulations relating to pollution control and protection of the environment. These laws and regulations govern, among other things, discharges to air or water, the generation, storage, handling, and use of automotive hazardous materials, and the handling and disposal of hazardous waste generated at our facilities. Under such laws and regulations, we are required to obtain permits from governmental authorities for some of our operations. If we violate or fail to comply with these laws, regulations, or permits, we could be fined or otherwise sanctioned by regulators. Under some environmental laws and regulations, we could also be held responsible for all the costs relating to any contamination at our past or present facilities and at third-party waste disposal sites. We maintain a compliance program to assist in preventing and, if necessary, correcting environmental problems.

Compliance with environmental, health, and safety legislation and regulatory requirements may prove to be more limiting and costly than we anticipate. To date, we have committed significant expenditures in our efforts to achieve and maintain compliance with these requirements at our facilities, and we expect that we will continue to make significant expenditures related to such compliance in the future. From time to time, we may be subject to legal proceedings brought by private parties or governmental authorities with respect to environmental matters, including matters involving alleged noncompliance with or liability under environmental, health and safety laws, property damage or personal injury. New laws and regulations, including those which may relate to emissions of greenhouse gases, stricter enforcement of existing laws and regulations, the discovery of previously unknown contamination or the imposition of new clean-up requirements could require us to incur costs or become the basis for new or increased liabilities that could have a material adverse effect on our business, prospects, financial condition, results of operations, or cash flows.

Some of the medical devices that we produce may be subject to regulation by numerous government agencies, including the Food and Drug Administration (“FDA”) and comparable agencies outside the U.S. To varying degrees, each of these agencies requires us to comply with laws and regulations governing the development, testing, manufacturing, labeling, marketing and distribution of medical devices. We cannot guarantee that we will be able to obtain marketing clearance for our new products or enhancements or modifications to existing products. If such approval is obtained, it may:

- take a significant amount of time;
- require the expenditure of substantial resources;
- involve stringent clinical and pre-clinical testing, as well as increased post-market surveillance;
- involve modifications, repairs or replacements of our products; and
- result in limitations on the proposed uses of our products.

We are subject to periodic inspections by the FDA to determine compliance with the FDA’s requirements, including primarily the quality system regulations and medical device reporting regulations. The results of these inspections can include inspectional observations on FDA’s Form-483, warning letters, or other forms of enforcement. If the FDA were to conclude that we are not in compliance with applicable laws or regulations, or that any of our medical devices are ineffective or pose an unreasonable health risk, the FDA could ban such medical devices, detain or seize adulterated or misbranded medical devices, order a recall, repair, replacement or refund of such devices, refuse to grant pending pre-market approval applications or require certificates of foreign governments for exports, and/or require us to notify health professionals and others that the devices present unreasonable risks of substantial harm to the public health. The FDA may also impose operating restrictions on a company-wide basis, enjoin and/or restrain certain conduct resulting in violations of applicable law pertaining to medical devices, and assess civil or criminal penalties against our officers, employees, or us. The FDA may also recommend prosecution to the Department of Justice. Any adverse regulatory action, depending on its magnitude, may restrict us from effectively marketing and selling our products.

Foreign governmental regulations have become increasingly stringent and more common, and we may become subject to more rigorous regulation by foreign governmental authorities in the future. Penalties for a company’s non-compliance with foreign governmental regulation could be severe, including revocation or suspension of a company’s business license and criminal sanctions. Any domestic or foreign governmental law or regulation imposed in the future may have a material adverse effect on us.

Increasing scrutiny and evolving expectations with respect to our environmental, social and governance practices may impose additional costs on us or expose us to new or additional risks.

In addition to the increased legislative and regulatory attention to climate change, customer, investor, and employee expectations in ESG have been rapidly evolving and increasing. While we have been committed to continuous improvements to our product portfolio to meet anticipated regulatory standard levels, if customers, regulators or investors demand we increase our greenhouse gas emission or renewable energy disclosures or our ESG initiatives, we may have to implement additional reporting standards and reporting requirements. If we fail to meet customer, investor, or employee expectations, we may be unable to attract or retain our consumer base or talent. Further, there can be no assurance that our commitments will be successful, that our products will be accepted by the market, that proposed regulation or deregulation will not have a negative competitive impact or that economic returns will reflect our investments in new product development.

The standards by which ESG efforts and related matters are measured are developing and evolving, and we could be criticized for the scope of our initiatives and goals, or lack thereof. If we fail to comply with the evolving customer or investor or employee expectations and standards, or if we are perceived to have failed to adequately respond to such expectations and standards, we may suffer from reputational damage, which could have an adverse impact on our business or financial condition.

Risks Related to Our Capitalization

Our indebtedness could adversely affect our business, prospects, financial condition, results of operations, or cash flows.

The principal amount outstanding under our term loan facility (the “Term Loan Facility”) as of December 31, 2023, was \$148.1 million, and based on the interest rate then in effect, annual cash interest payments would be approximately \$18.3 million, with an additional \$2.9 million accrued as paid-in-kind interest. In addition, we have \$26.4 million available for future borrowings under our asset backed credit facility (the “ABL Facility”). Our debt obligations could have important consequences, including:

- increasing our vulnerability to adverse economic, industry, or competitive developments;
- requiring a substantial portion of our cash flows from operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our ability to use our cash flows to fund operations, capital expenditures, and future business opportunities;
- exposing us to the risk of increased interest rates, which could cause our debt service obligations to increase significantly;
- making it more difficult for us to satisfy our obligations with respect to our indebtedness, and any failure to comply with the obligations of any of our debt instruments, including restrictive covenants and borrowing conditions, could result in an event of default under our debt agreements;
- restricting us from making strategic acquisitions or causing us to make non-strategic divestitures;
- limiting our ability to obtain additional financing for working capital, capital expenditures, product and service development, debt service requirements, acquisitions, and general corporate or other purposes; and
- limiting our flexibility in planning for, or reacting to, changes in our business or market conditions and placing us at a competitive disadvantage compared to our competitors who are less highly leveraged and who, therefore, may be able to take advantage of opportunities that our leverage may prevent us from exploiting.

If any one of these events were to occur, our business, prospects, financial condition, results of operations, or cash flows could be materially and adversely affected. For more information regarding our indebtedness, please see “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources.”

Despite our indebtedness level, we may still be able to incur substantial additional amounts of debt, which could further exacerbate the risks associated with our substantial indebtedness.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. Although our debt agreements contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances, the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. If new debt is added to our and our subsidiaries’ debt levels, the related risks that we now face could increase.

Our debt agreements contain restrictions that will limit our flexibility in operating our business.

Our debt agreements contain various incurrence covenants that limit our ability to engage in specified types of transactions. These incurrence covenants will limit our ability to, among other things:

- incur additional indebtedness or issue certain preferred equity;
- pay dividends on, repurchase, or make distributions in respect of our capital stock, prepay, redeem, or repurchase certain debt or make other restricted payments;
- make certain investments and acquisitions;
- create certain liens;
- enter into agreements restricting our subsidiaries’ ability to pay dividends to us;
- consolidate, merge, sell, or otherwise dispose of all or substantially all of our assets;
- alter our existing businesses; and
- enter into certain transactions with our affiliates.

In addition, the covenants in our debt agreements require us to meet specified financial ratios and satisfy other financial condition tests. Our ability to meet those financial ratios and tests will depend on our ongoing financial and operating performance, which, in turn, will be subject to economic conditions and to financial, market, and competitive factors, many of

which are beyond our control. A breach of any of these covenants could result in a default under one or more of our debt agreements and permit our lenders to cease making loans to us under our credit facility (as defined below) or to accelerate the maturity date of the indebtedness incurred thereunder. Furthermore, if we were unable to repay the amounts due and payable under our secured debt agreements, our secured lenders could proceed against the collateral granted to them to secure our borrowings. Such actions by the lenders could also cause cross defaults under our other debt agreements.

We may not be able to generate sufficient cash to service all of our indebtedness, and we may not be able to refinance our debt obligations as they mature.

Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness.

We regularly review our capital structure, various financing alternatives and conditions in the debt and equity markets in order to opportunistically enhance our capital structure. In connection therewith, we may seek to refinance or retire existing indebtedness, incur new or additional indebtedness or issue equity or equity-linked securities, in each case, depending on market and other conditions. As our debt obligations mature or if our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital, or restructure or refinance our indebtedness. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of our existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations.

We have international operations that are subject to foreign economic uncertainties and foreign currency fluctuation.

Approximately 29% of our revenues are denominated in foreign currencies, which may result in additional risk of fluctuating currency values and exchange rates and controls on currency exchange. Changes in the value of foreign currencies could increase our U.S. dollar costs for, or reduce our U.S. dollar revenues from, our foreign operations. Any increased costs or reduced revenues as a result of foreign currency fluctuations could affect our profits. In 2023, the U.S. dollar strengthened against foreign currencies which unfavorably affected our revenue by \$0.6 million. In contrast, a weakening of the U.S. dollar may beneficially affect our business, prospects, financial condition, results of operations, or cash flows.

The price of our common stock may be volatile.

The market price of our common stock could be subject to significant fluctuations and may decline. Among the factors that could affect our stock price are:

- macro or micro-economic factors;
- our operating and financial performance and prospects;
- quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- changes in revenue or earnings estimates or publication of research reports by analysts;
- loss of any member of our senior management team;
- speculation in the press or investment community;
- strategic actions by us or our competitors, such as acquisitions or restructuring;
- sales of our common stock by stockholders;
- general market conditions;
- domestic and international economic, legal, and regulatory factors unrelated to our performance;
- loss of a major customer; and
- the declaration and payment of a dividend.

The stock markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our common stock. In addition, due to the market capitalization of our stock, our stock tends to be more volatile than large capitalization stocks that comprise the Dow Jones Industrial Average or Standard and Poor's 500 Index.

Provisions in our charter documents and Delaware law may inhibit a takeover, which could adversely affect the value of our common stock.

Our certificate of incorporation and bylaws, as well as Delaware corporate law, contain provisions that could delay or prevent a change of control or changes in our management that a stockholder might consider favorable and may prevent stockholders from receiving a takeover premium for their shares. These provisions include, for example, the authorization of our board of directors to issue up to five million preferred shares without a stockholder vote and that stockholders may not call a special meeting.

We are a Delaware corporation subject to the provisions of Section 203 of the Delaware General Corporation Law, an anti-takeover law. Generally, this statute prohibits a publicly-held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years after the date of the transaction in which such person became an interested stockholder, unless the business combination is approved in a prescribed manner. A business combination includes a merger, asset sale or other transaction resulting in a financial benefit to the stockholder. We anticipate that the provisions of Section 203 may encourage parties interested in acquiring us to negotiate in advance with our board of directors, because the stockholder approval requirement would be avoided if a majority of the directors then in office approve either the business combination or the transaction that results in the stockholder becoming an interested stockholder.

These provisions apply even if the offer may be considered beneficial by some of our stockholders. If a change of control or change in management is delayed or prevented, the market price of our common stock could decline.

Risks Related to Acquisitions and Divestitures

Acquisitions may constitute an important part of our future growth strategy.

Acquiring businesses that complement or expand our operations has been and may continue to be a key element of our business strategy. We regularly evaluate acquisition transactions, sign non-disclosure agreements, and participate in processes with respect to acquisitions, some of which may be material to us. We cannot assure you that we will be successful in identifying attractive acquisition candidates or completing acquisitions on favorable terms in the future. In addition, we may borrow funds or issue equity to acquire other businesses, increasing our interest expense and debt levels or diluting our existing stockholders' ownership interest in us. Our inability to acquire businesses, or to operate them profitably once acquired, could have a material adverse effect on our business, financial condition, results of operations, and cash flows. Our borrowing agreements limit our ability to complete acquisitions without prior approval of our lenders. We have had difficulty with purchase accounting and other aspects related to the accounting for our acquisitions, which resulted in material weaknesses in our internal control over financial reporting. Although we have remediated these material weaknesses, there can be no assurances we will not face similar issues with respect to any future acquisitions.

We may not realize all of the anticipated benefits from completed acquisitions or any future strategic portfolio acquisition, or those benefits may take longer to realize than expected.

We either may not realize all of the anticipated benefits from completed acquisitions or any future strategic portfolio acquisition, or it may take longer to realize such benefits. Achieving those benefits depends on the timely, efficient, and successful execution of a number of post-acquisition events, including integrating the acquired businesses into our existing businesses. The integration process may disrupt the businesses and, if implemented ineffectively, would preclude the realization of the full anticipated benefits. The difficulties of combining the operations of acquired companies include, among others:

- the diversion of management's attention to integration matters;
- difficulties in the integration of operations and systems, including, without limitation, the complexities associated with managing the expanded operations of a significantly larger and more complex company, addressing possible differences in corporate cultures and management philosophies and the challenge of integrating complex systems, technology, networks, and other assets of each of the acquired companies;
- difficulties in achieving anticipated cost savings, synergies, business opportunities, and growth prospects from combining the acquired businesses with our own;
- the inability to implement effective internal controls, procedures, and policies for acquired businesses as required by the Sarbanes-Oxley Act of 2002 within the time periods prescribed thereby;
- the exposure to potential unknown liabilities and unforeseen increased expenses or delays associated with acquired businesses;
- challenges in keeping existing customers and obtaining new customers;
- challenges in attracting and retaining key personnel; and
- the disruption of, or the loss of momentum in, ongoing operations or inconsistencies in standards, controls, procedures and policies.

Many of these factors will be outside of our control and any one of them could result in increased costs, decreases in the amount of expected revenues and diversion of management's time and energy, which could materially impact our business, prospects, financial condition, results of operations, or cash flows.

The indemnification provisions of acquisition agreements by which we have acquired companies may not fully protect us and may result in unexpected liabilities.

Certain of the acquisition agreements from past acquisitions require the former owners to indemnify us against certain liabilities related to the operation of each of their companies before we acquired it. In most of these agreements, however, the liability of the former owners is limited in amount and duration and certain former owners may not be able to meet their indemnification responsibilities. These indemnification provisions may not fully protect us, and as a result we may face unexpected liabilities that adversely affect our profitability and financial position.

Our participation in joint ventures could expose us to additional risks from time to time.

We currently have a 49% investment in a Chinese joint venture (the "JV") and may participate in additional joint ventures from time to time. Our participation in joint ventures is subject to risks that may not be present with other methods of ownership, including:

- our joint venture partners could have investment and financing goals that are not consistent with our objectives, including the timing, terms, and strategies for any investments, and what levels of debt to incur or carry;
- we could experience an impasse on certain decisions because we do not have sole decision-making authority, which could require us to expend additional resources on resolving such impasses or potential disputes, including litigation or arbitration;
- our ability to transfer our interest in a joint venture to a third party may be restricted and the market for our interest may be limited;
- our joint venture partners might become bankrupt, fail to fund their share of required capital contributions or fail to fulfill their obligations as a joint venture partner, which may require us to infuse our own capital into the venture on behalf of the partner despite other competing uses for such capital; and
- our joint venture partners may have competing interests in our markets that could create conflict of interest issues.

Any divestitures and discontinued operations could negatively impact our business and retained liabilities from businesses that we may sell could adversely affect our financial results.

As part of our portfolio management process, we review our operations for businesses which may no longer be aligned with our strategic initiatives and long-term objectives. Divestitures pose risks and challenges that could negatively impact our business, including required separation or carve-out activities and costs, disputes with buyers, or potential impairment charges. We may also dispose of a business at a price or on terms that are less than we had previously anticipated. After reaching an agreement with a buyer for the disposition of a business, we are also subject to satisfaction of pre-closing conditions, as well as necessary regulatory and governmental approvals on acceptable terms, which may prevent us from completing a transaction. Dispositions may also involve continued financial involvement, as we may be required to retain responsibility for, or agree to indemnify buyers against contingent liabilities related to businesses sold, such as lawsuits, tax liabilities, lease payments, product liability claims, or environmental matters. Under these types of arrangements, performance by the divested businesses or other conditions outside of our control could affect future financial results.

General Risk Factors

Damage to our reputation could harm our business, including our competitive position and business prospects.

Our ability to attract and retain customers, suppliers, investors, and employees is impacted by our reputation. Harm to our reputation can arise from various sources, including employee misconduct, security breaches, unethical behavior, litigation, or regulatory outcomes. The consequences of damage to our reputation include, among other things, increasing the number of litigation claims and the size of damages asserted or subjecting us to enforcement actions, fines, and penalties, all of which would cause us to incur significant defense related costs and expenses.

Changes in U.S. tax laws could have a material adverse effect on our business, cash flow, results of operations, and financial condition.

The U.S. tax laws and regulations, as well as the administrative interpretations of those laws and regulations, are constantly under review and may be changed at any time, possibly with retroactive effect. No assurance can be given as to whether, when, or in what form changes to the U.S. tax laws applicable to us may be enacted. Changes in U.S. tax laws, tax rulings, or interpretations of existing laws could materially affect our business, cash flow, results of operations, and financial condition.

We currently, and may in the future, have assets held at financial institutions that may exceed the insurance coverage offered by the Federal Deposit Insurance Corporation (“FDIC”), and the loss of such assets could have a severe negative affect on our operations and liquidity.

On March 10, 2023, Silicon Valley Bank (“SVB”) was closed by the California Department of Financial Protection and Innovation, which appointed the FDIC as receiver. Similarly, on March 12, 2023, Signature Bank and Silvergate Capital Corp. were each swept into receivership. A statement by the Department of the Treasury, the Federal Reserve and the FDIC stated that all depositors of SVB would have access to all of their money after only one business day of closure, including funds held in uninsured deposit accounts. Although we do not have any funds deposited with SVB or Signature Bank, we currently have our cash and cash equivalents held in deposit in accounts at certain FDIC-insured financial institutions, some of which include amounts in excess of the insurance coverage offered by the FDIC. In the future, we may maintain our cash and cash equivalents at financial institutions in the United States in amounts that may be in excess of the FDIC insurance limit of \$250,000. Though to date, we have experienced no loss or lack of access to cash in our operating accounts, in the event of a failure of any of these financial institutions where we maintain our deposits or other assets, we may incur a loss to the extent such loss exceeds the FDIC insurance limitation, which could have a material adverse effect upon our liquidity, financial condition and our results of operations.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Cybersecurity Overview

We rely on proprietary and third-party information systems to process, transmit and store information and to manage or support our business processes. We store and maintain confidential financial and business information regarding us and persons with whom we do business on our information technology systems. We also collect and hold personally identifiable information of our employees in connection with their employment. In addition, we engage third-party service providers that may collect and hold personally identifiable information of our employees in connection with providing business services to us, including web hosting, accounting, payroll and benefit services.

Cybersecurity Governance

The protection of the information technology systems on which we rely is critically important to us. The Audit Committee of the Board of Directors has oversight for the reliability and security of our information systems, including identifying material risks and cybersecurity threats arising in our business. The Audit Committee receives updates from management of the ongoing cybersecurity initiatives and events at least once per quarter. In the event of a material cybersecurity incident, management will notify the Cybersecurity Sub-Committee of the Board of Directors, which will provide oversight for the Company’s response and mitigation to the incident.

Our Chief Financial Officer is responsible for the management of the Company’s information systems and oversees the Company’s information technology team (“IT Team”). The IT Team has in place documented procedures for cybersecurity response plans, which are reviewed annually or as events warrant. The IT Team utilizes third party security experts to provide continuous external penetration testing, conduct security reviews, and to provide a managed security operations center that does 24/7 monitoring as well as provide additional resources for threat and incident response activities.

Cybersecurity Risk Management and Strategy

We employ a multi-layered approach to protect our information systems from cybersecurity threats. We have around the clock security operations center coverage that uses an industry leading security information and event management tool to aggregate and analyze data and provide immediate alerts for any breaches. All hardware within our information systems run an industry-standard anti-virus solution, and we have an established patching program in place to keep security updates current. Penetration testing is conducted by an outside party on a continual basis, resulting in rapid discovery and remediation of any potential weaknesses. To ensure employee compliance with our processes, we require yearly cybersecurity training and conduct phish testing, including simulated phishing attempts, multiple times per month. Additional training is assigned to employees as deemed necessary to reduce the risk of cybersecurity threats. In case of a cybersecurity incident, we maintain a cybersecurity insurance policy to reduce any direct costs that could be incurred.

A cybersecurity incident could interrupt our operations, result in downtime, divert our planned efforts and resources from other projects, damage our reputation and brand, damage our competitive position, subject us to liability claims or regulatory penalties under laws protecting the privacy of personal information. Although impacts of past cybersecurity incidents have been immaterial to date, the impacts of such events in the future may materially and adversely affect our business, financial condition, or results of operations.

Item 2. Properties

As of December 31, 2023, we owned or leased 27 facilities in a total of six countries, which includes a manufacturing facility owned by the JV in China. Utilization of these sites may vary with product mix and economic, seasonal, and other business conditions. Our plants generally have sufficient capacity for existing needs and expected near-term growth. These plants are generally well maintained, in good operating condition, and suitable and adequate for their use. The following table lists the current locations of our facilities by segment.

Mobile Solutions Group

Location	General Character	Country	Owned or Leased
Campinas, Brazil	Office	Brazil	Leased
Dowagiac, Michigan	Plant	U.S.A.	Owned
Juarez, Mexico	Plant	Mexico	Leased
Kamienna Gora, Poland	Plant	Poland	Owned
Kentwood, Michigan	Plant 1	U.S.A.	Leased
Kentwood, Michigan	Plant 2	U.S.A.	Leased
Kentwood, Michigan	Plant 3, Warehouse	U.S.A.	Leased
Kentwood, Michigan	Office	U.S.A.	Owned
Marnaz, France	Plant	France	Owned
Marshall, Michigan	Plant 1	U.S.A.	Leased
Sao Joao da Boa Vista, Brazil	Plant 1	Brazil	Leased
Sao Joao da Boa Vista, Brazil	Plant 2	Brazil	Leased
Sao Joao da Boa Vista, Brazil	Plant 3	Brazil	Leased
Wellington, Ohio	Plant 1	U.S.A.	Leased
Wuxi, China	Plant	China	Leased

Power Solutions Group

Location	General Character	Country	Owned or Leased
Algonquin, Illinois	Plant	U.S.A.	Owned
Attleboro, Massachusetts	Plant 1	U.S.A.	Owned
Attleboro, Massachusetts	Plant 2	U.S.A.	Leased
Attleboro, Massachusetts	Plant 3	U.S.A.	Owned
Attleboro, Massachusetts	Office, Warehouse	U.S.A.	Owned
Foshan City, China	Plant	China	Leased
Lubbock, Texas	Plant	U.S.A.	Owned
Mexico City, Mexico	Plant	Mexico	Owned
North Attleboro, Massachusetts	Plant	U.S.A.	Owned
Palmer, Massachusetts	Plant	U.S.A.	Leased

Joint Venture

Location	General Character	Country	Owned or Leased
Wuxi, China	Plant	China	Leased

Corporate

Location	General Character	Country	Owned or Leased
Charlotte, North Carolina	Office	U.S.A.	Leased

Item 3. Legal Proceedings

As disclosed in Note 13 of the Notes to Consolidated Financial Statements included elsewhere in this Annual Report, we are engaged in certain legal proceedings, and the disclosure set forth in Note 13 relating to certain commitments and contingencies is incorporated herein by reference.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

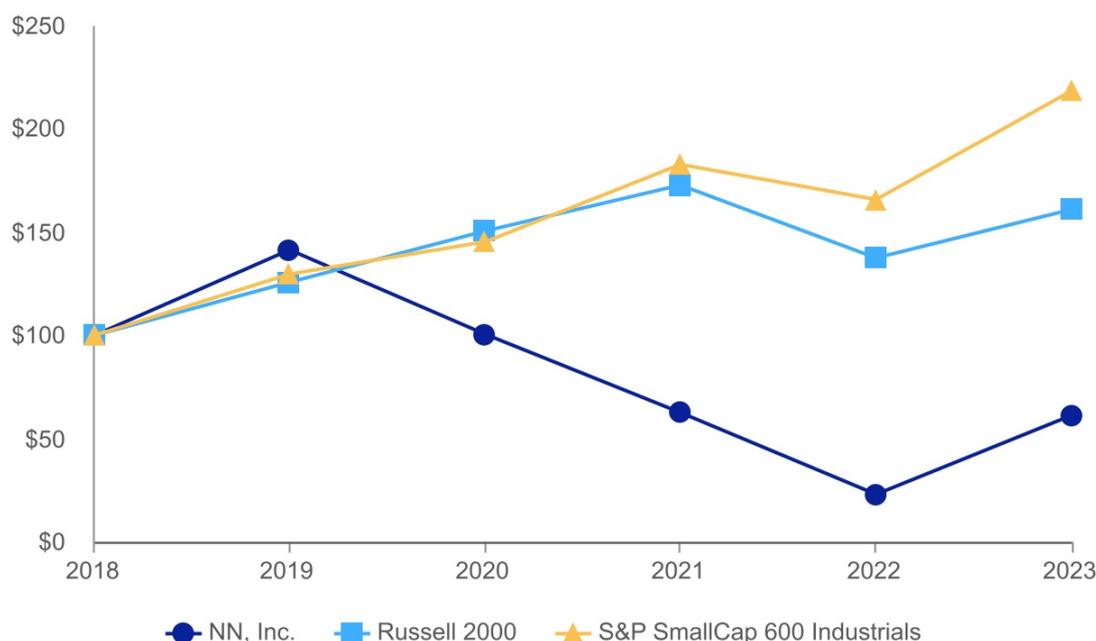
Item 5. Market for the Registrant’s Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities

Our common stock is traded on Nasdaq under the trading symbol “NNBR.” As of February 21, 2024, there were 3,767 beneficial owners of record of our common stock.

The following graph and table compare the cumulative total shareholder return on our common stock with the cumulative total shareholder return of: (i) the Russell 2000® Index, which is a broad equity market index, and (ii) the S&P SmallCap 600® Industrials Index, which is a published industry index, for the period from December 31, 2018, to December 31, 2023. The following graph and table assume that a \$100 investment was made at the close of trading on December 31, 2018. We cannot assure you that the performance of our common stock will continue in the future with the same or similar trend depicted on the graph.

Comparison of Five-Year Cumulative Total Return

(Performance results through December 31, 2023)



	2018	2019	2020	2021	2022	2023
NN, Inc.	\$ 100.00	\$ 141.31	\$ 100.36	\$ 62.62	\$ 22.91	\$ 61.08
Russell 2000	\$ 100.00	\$ 125.52	\$ 150.58	\$ 172.90	\$ 137.56	\$ 160.85
S&P SmallCap 600 Industrials	\$ 100.00	\$ 129.64	\$ 145.17	\$ 182.76	\$ 165.58	\$ 218.30

Source: Zachs Investment Research, Inc.

The declaration and payment of dividends are subject to the sole discretion of our Board of Directors and depend upon our profitability, financial condition, capital needs, credit agreement restrictions, future prospects, and other factors deemed relevant by the Board of Directors.

See Part III, Item 12 – “Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters” of this Annual Report for information required by Item 201 (d) of Regulation S-K.

Issuer Purchases of Equity Securities

The following table provides information about purchases we made during the quarter ended December 31, 2023.

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽¹⁾	Maximum Number (or Approximate Dollar Value) of Shares That May Yet Be Purchased Under the Plan or Programs ⁽¹⁾
October 2023	2,016	\$ 1.76	—	—
November 2023	2,488	2.00	—	—
December 2023	—	—	—	—
Total	4,504	\$ 1.89	—	—

- (1) Shares were withheld to pay for tax obligations due upon the vesting of share-based awards held by employees granted under the NN, Inc. 2022 Omnibus Incentive Plan and prior plans (collectively the “Incentive Plans”). The Incentive Plans provides for the withholding of shares or units to satisfy income tax obligations. It does not specify a maximum number of shares or units that can be withheld for this purpose. These shares may be deemed to be “issuer purchases” of shares that are required to be disclosed pursuant to this Item.

Item 6. Reserved

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

The following discussion should be read in conjunction with, and is qualified in its entirety by, the Consolidated Financial Statements and the Notes thereto and the Selected Financial Data included elsewhere in this Annual Report. Historical operating results and percentage relationships among any amounts included in the Consolidated Financial Statements are not necessarily indicative of trends in operating results for any future period. Unless otherwise noted herein, all amounts are in thousands, except per share numbers.

A detailed discussion of our results of operations and liquidity and capital resources for the year ended December 31, 2022 compared to the year ended December 31, 2021 are not included herein and can be found in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of our [Annual Report on Form 10-K](#) for the fiscal year ended December 31, 2022, filed with the SEC on March 10, 2023.

Overview and Management Focus

During 2023, the Company initiated an enterprise transformation plan to grow sales, profits, free cash flow and shareholder value. The main tenets of the Company's transformation plan are:

- Empowered leadership team that is accountable to outcomes;
- Supplementing the team with added talent and experienced professionals;
- Investing \$100 million of capex over a five year period with strategic intentions;
- Strategic footprint overlay to blend down the Company's cost structure to lower total-cost product offerings;
- Building and converting upon a high-probability pipeline of new business opportunities that fit the Company's capacity and forward direction;
- Deliver excellent customer service and quality in a safe and sustainable manner;
- Expand margins through a variety of contemporary approaches, but especially continuous improvement algorithms;
- Annually generate free cash flow;
- Face reality and address underperforming areas of the Company; and
- Recruit, retain and incent the best possible team of employees globally.

We are a strategic partner to a diversified and global customer base with long standing business relationships and long-running business streams. We participate in growing and attractive end markets, including global automotive parts and passenger vehicles, commercial vehicles, grid and electrical investment, and medical components.

Management generally focuses on these trends and relevant market indicators:

- Trends related to the geographic migration of competitive manufacturing, electric vehicles, and electrification;
- Costs subject to regional and global inflationary environments, including, but not limited to:
 - Raw materials;
 - Wages and benefits, including health care costs;
 - Regulatory compliance; and
 - Energy;
- Global automotive production rates;
- Global industrial growth and economics;
- Residential and non-residential construction rates;
- Regulatory environment for United States public companies and manufacturing companies;
- Currency and exchange rate movements and trends;
- Interest rate levels and expectations; and
- Changes in tariff regulations.

Results of Operations

Factors That May Influence Results of Operations

The following paragraphs describe factors that have influenced results of operations for the year ended December 31, 2023, that management believes are important to provide an understanding of the business and results of operations or that may influence operations in the future.

Macroeconomic Conditions

We continue to monitor the ongoing impacts of current macroeconomic and geopolitical events, including changing conditions from ongoing global conflicts, inflationary cost pressures, elevated interest rates, supply chain disruptions, and labor shortages and disruptions.

The ongoing global conflicts continue to create volatility in global financial and energy markets, creating energy and supply chain shortages, which has added to the inflationary pressures experienced by the global economy. We continue to actively work with our suppliers to minimize impacts of supply shortages on our manufacturing capabilities. Although our business has not been materially impacted by these ongoing global conflicts as of the date of this filing, we cannot reasonably predict the extent to which our operations, or those of our customers or suppliers, will be impacted in the future, or the ways in which the conflicts may impact our business, financial condition, results of operations and cash flows.

The U.S. economy has experienced inflationary increases and elevated interest rates, as well as supply issues in materials, services, and labor due to economic policy, the COVID-19 pandemic and global conflicts. While these impacts stabilized during 2023, we cannot predict the future impact on our end-markets or input costs nor our ability to recover cost increases through pricing.

Footprint Optimization

We have taken specific steps to consolidate our footprint by identifying less profitable end markets and focusing our strategic growth initiatives in markets where we believe we will be able to maximize profitability. During the first half of 2023, we closed our Taunton and Irvine sites in the Power Solutions group and three underutilized Mobile Solutions sites to reduce operating costs. Additionally, we continue to evaluate our global footprint, which may result in further consolidation or expansion actions to further improve our overall cost structure.

Sales Concentration

During the years ended December 31, 2023, 2022 and 2021, no single customer accounted for 10% or more of consolidated net sales.

Financial Data as a Percentage of Net Sales

The following table presents the percentage of our net sales represented by statement of operations line item.

	Years Ended December 31,		
	2023	2022	2021
Net sales	100.0 %	100.0 %	100.0 %
Cost of sales (exclusive of depreciation and amortization shown separately below)	85.7 %	84.4 %	81.7 %
Selling, general, and administrative expense	9.7 %	10.0 %	10.8 %
Depreciation and amortization	9.4 %	9.5 %	9.7 %
Other operating expense (income), net	(0.3)%	0.4 %	(0.2)%
Loss from operations	(4.5)%	(4.2)%	(1.9)%
Interest expense	4.3 %	3.0 %	2.7 %
Loss on extinguishment of debt and write-off of debt issuance costs	— %	— %	0.5 %
Derivative payments on interest rate swap	— %	— %	0.4 %
Loss on interest rate swap	— %	— %	0.4 %
Other expense (income), net	2.2 %	(1.0)%	(1.1)%
Loss from continuing operations before provision for income taxes and share of net income from joint venture	(11.0)%	(6.2)%	(4.7)%
Provision for income taxes	(0.5)%	(0.3)%	0.4 %
Share of net income from joint venture	1.2 %	1.3 %	1.3 %
Loss from continuing operations	(10.2)%	(5.2)%	(3.0)%
Income from discontinued operations, net of tax	— %	— %	0.3 %
Net loss	(10.2)%	(5.2)%	(2.8)%

Year Ended December 31, 2023 compared to the Year Ended December 31, 2022

	Years Ended December 31,		
	2023	2022	\$ Change
Net sales	\$ 489,270	\$ 498,738	\$ (9,468)
Cost of sales (exclusive of depreciation and amortization shown separately below)	419,175	421,105	\$ (1,930)
Selling, general, and administrative expense	47,436	49,635	(2,199)
Depreciation and amortization	46,120	47,231	(1,111)
Other operating expense (income), net	(1,657)	1,859	(3,516)
Loss from operations	(21,804)	(21,092)	(712)
Interest expense	21,137	15,041	6,096
Other expense (income), net	10,730	(5,064)	15,794
Loss from continuing operations before provision for income taxes and share of net income from joint venture	(53,671)	(31,069)	(22,602)
Provision for income taxes	(2,285)	(1,621)	(664)
Share of net income from joint venture	5,806	6,592	(786)
Net loss	\$ (50,150)	\$ (26,098)	\$ (24,052)

Net Sales. Net sales decreased by \$9.5 million, or 1.9%, during the year ended December 31, 2023, compared to the year ended December 31, 2022, primarily due to reduced volume, including the impact from the closure of the Taunton and Irvine facilities, lower customer settlements and unfavorable foreign exchange effects of \$0.6 million. These decreases were partially offset by higher customer pricing.

Cost of Sales. Cost of sales decreased by \$1.9 million, or 0.5%, during the year ended December 31, 2023, compared to the year ended December 31, 2022, primarily due to lower sales volume associated with facility closures. These decreases were partially offset by higher material and labor costs, increased costs due to inefficient manufacturing processes associated with product launches, and unfavorable foreign exchange effects.

Selling, General, and Administrative Expense. Selling, general, and administrative expense decreased by \$2.2 million during the year ended December 31, 2023, compared to the year ended December 31, 2022, primarily due to lower stock compensation expense and lower professional fees, partially offset by higher incentive compensation expense.

Other Operating Expense (Income), Net. Other operating expense (income), net changed favorably by \$3.5 million primarily due to sublease income recognized in 2023 and a legal settlement recorded in 2022.

Interest Expense. Interest expense increased by \$6.1 million during the year ended December 31, 2023, compared to the year ended December 31, 2022, primarily due to higher interest rates and the addition of a 2.00% paid-in-kind interest component on the Term Loan subsequent to the amendment in the first quarter of 2023. These increases were partially offset by the recognition of gains from the interest rate swap and a higher amount of interest expense that was capitalized in the current year compared with 2022.

	Years Ended December 31,	
	2023	2022
Interest on debt	\$ 21,638	\$ 14,071
Gain recognized on interest rate swap	(1,815)	(428)
Amortization of debt issuance costs and discount	1,941	1,361
Capitalized interest	(1,330)	(610)
Other	703	647
Total interest expense	\$ 21,137	\$ 15,041

Other Expense (Income), Net. Other expense (income), net changed unfavorably by \$15.8 million during the year ended December 31, 2023, compared to the year ended December 31, 2022, primarily due to noncash derivative mark-to-market losses recognized during 2023 compared to gains recognized during 2022.

Provision for Income Taxes. Our effective tax rate was (4.3)% for the year ended December 31, 2023, compared to (5.2)% for the year ended December 31, 2022. Our effective tax rate for the year ended December 31, 2023 was unfavorably impacted by the accrual of tax on non-permanently reinvested unremitted earnings of foreign subsidiaries and by the limitation on the amount of tax benefit recorded for loss carryforwards in certain jurisdictions where we believe it is more likely than not that a

portion of the future tax benefit may not be realized. The effective tax rate for the year ended December 31, 2023 was favorably impacted by the recording of interest income on the Company's federal income tax refund requested as a result of the Coronavirus Aid, Relief, and Economic Security Act, as well as the recording of a benefit of a pending state refund claim. Our effective tax rate for the year ended December 31, 2022 was favorably impacted by the change in assertion and reduction in the accrual of tax on non-permanently reinvested unremitted earnings of foreign subsidiaries and unfavorably impacted by the limitation on the amount of tax benefit recorded for loss carryforwards in certain jurisdictions where we believe it is more likely than not that a portion of the future tax benefit may not be realized.

Share of Net Income from Joint Venture. Share of net income from the joint venture decreased by \$0.8 million during the year ended December 31, 2023, compared to the year ended December 31, 2022, primarily due to higher fixed costs and increased depreciation and interest expense, partially offset by higher revenue. The joint venture, in which we own a 49% investment, recognized net sales of \$109.6 million and \$101.6 million for the year ended December 31, 2023 and 2022, respectively.

Results by Segment

MOBILE SOLUTIONS

	Year Ended December 31,		
	2023	2022	\$ Change
Net sales	\$ 303,335	\$ 293,536	\$ 9,799
Loss from operations	\$ (11,749)	\$ (2,165)	\$ (9,584)

Net sales increased by \$9.8 million, or 3.3%, during the year ended December 31, 2023, compared to the year ended December 31, 2022, primarily due to higher customer pricing, partially offset by lower volume, and lower customer settlements.

Loss from operations changed unfavorably by \$9.6 million during the year ended December 31, 2023 compared to the prior year, primarily due to higher material and labor costs, lower sales volume, lower customer settlement and unfavorable foreign exchange effects. In addition, costs increased due to production challenges associated with new business launches.

POWER SOLUTIONS

	Year Ended December 31,		
	2023	2022	\$ Change
Net sales	\$ 185,948	\$ 205,204	\$ (19,256)
Income from operations	\$ 11,096	\$ 3,536	\$ 7,560

Net sales decreased by \$19.3 million, or 9.4%, during the year ended December 31, 2023, compared to the year ended December 31, 2022, primarily due to lower volumes, including the impact from the closure of the Taunton and Irvine facilities. These decreases were partially offset by higher customer pricing and premium pricing on a certain customer project.

Income from operations increased by \$7.6 million during the year ended December 31, 2023 compared to the same period in the prior year, primarily due to lower costs associated with the facilities that closed in the second quarter of 2023, premium pricing on a certain customer project in the first quarter of 2023, a legal settlement reached during the first quarter of 2022, and sublease income earned on closed facilities. These increases were partially offset by lower sales volume.

Changes in Financial Condition from December 31, 2022 to December 31, 2023

Overview

From December 31, 2022 to December 31, 2023, total assets decreased by \$35.2 million primarily due to decreases in accounts receivable, inventory, property, plant and equipment and intangible assets. The closure of two Power Solutions facilities contributed to the decrease in inventory and property, plant and equipment, and the decline in intangible assets is due to amortization.

From December 31, 2022 to December 31, 2023, total liabilities increased by \$12.9 million, primarily due to an increase in other non-current liabilities due to fair value adjustments of outstanding warrants.

Working capital, which consists of current assets less current liabilities, was \$100.9 million as of December 31, 2023, compared to \$112.9 million as of December 31, 2022. The decrease in working capital was primarily due to a decrease in accounts receivable and inventory and increases in accrued salaries, wages and benefits.

Cash Flows

Cash provided by operations was \$29.3 million for the year ended December 31, 2023, compared with cash provided by operations of \$7.7 million for the year ended December 31, 2022. The difference was primarily due to decreases in accounts

receivable and inventory during the year ended 2023 compared to increases in these balance during the corresponding period of 2022.

Cash used in investing activities during the year ended December 31, 2023 changed minimally from the prior year as higher expenditures for property, plant and equipment was partially offset by the proceeds from the sale of equipment at the Taunton and Irvine facilities in the first half of 2023.

Cash used in financing activities was \$2.9 million for the year ended December 31, 2023, compared with \$5.2 million for the year ended December 31, 2022. The decrease was primarily due to an increase in international loans during 2023.

Liquidity and Capital Resources

Credit Facility

The principal amount outstanding under our term loan facility (the “Term Loan Facility”) as of December 31, 2023, was \$148.1 million, without regard to unamortized debt issuance costs and discount. As of December 31, 2023, we had \$26.4 million available for future borrowings under the ABL Facility. This amount of borrowing capacity is net of \$10.9 million of outstanding letters of credit at December 31, 2023, which are considered as usage of the ABL Facility.

The Term Loan Facility requires quarterly principal payments of \$0.4 million with the remaining unpaid principal amount, including accrued paid-in-kind interest, due on the final maturity date of September 22, 2026. We may be required to make additional principal payments annually that are calculated as a percentage of our excess cash flow, as defined by the lender, based on our net leverage ratio. Outstanding borrowings under the Term Loan Facility bear interest at either 1) one-month, three-month, or six-month Adjusted SOFR, subject to a 1.000% floor, plus an applicable margin of 6.875% or 2) the greater of various benchmark rates plus an applicable margin of 5.875%. Beginning in the second quarter of 2023, interest expense was increased on a paid-in-kind basis at a rate between 1.00% and 2.00%, dependent on the Company’s leverage ratio. Based on the interest rate in effect at December 31, 2023, annual cash interest payments would be approximately \$18.3 million, with an additional \$2.9 million accrued as paid-in-kind interest.

On March 5, 2024, we entered into a Purchase and Sale and Escrow Agreement to sell and leaseback three of our properties (the “Properties”). The sale is expected to close on or around March 15, 2024, with the buyer’s obligation to close subject to inspection, due diligence and other customary closing conditions. The aggregate purchase price for the Properties is \$16.8 million, the net proceeds from which will be used to repay a portion of the outstanding borrowings under the Term Loan Facility.

The ABL Facility bears interest on a variable borrowing rate based on either 1) Adjusted SOFR plus an applicable margin of 1.75% or 2.00%, depending on availability, or 2) the greater of the federal funds rate or prime, plus an applicable margin of 0.75% or 1.00%, depending on availability. We pay a commitment fee of 0.375% for unused capacity under the ABL Facility.

We were in compliance with all requirements under our Term Loan Facility and ABL Facility as of December 31, 2023. Both credit facilities allow for optional expansion of available borrowings, subject to certain terms and conditions.

Accounts Receivable Sales Programs

We participate in programs established by our customers which allows us to sell certain receivables from that customer on a non-recourse basis to a third-party financial institution. In exchange, we receive payment on the receivables, less a discount, sooner than under the customary credit terms we have extended to that customer. These programs allow us to improve working capital and cash flows at the same or lower interest rates as available on our ABL Facility. Our access to these programs is dependent on our customers ongoing agreements with the third-parties. Our participation in these programs is based on our specific cash needs throughout the year, the discount charged to receive payment earlier, the length of the payment terms with our customers, as well being subject to limits in our ABL Facility and Term Loan Facility agreements.

Other Receivables

In 2021, we filed a refund claim with the IRS as a result of the Coronavirus Aid, Relief, and Economic Security Act. Including interest accrued on the initial refund amount, we have a \$11.6 million tax refund receivable at December 31, 2023, which is in the process of IRS review and approval. The timing of the receipt of the refund remains uncertain.

Functional Currencies

We currently have foreign operations in Brazil, China, France, Mexico, and Poland. The local currency of each foreign facility is also its functional currency.

Seasonality and Fluctuation in Quarterly Results

General economic conditions impact our business and financial results, and certain businesses experience seasonal and other trends related to the industries and end markets that they serve. For example, European sales are often weaker in the summer months as customers slow production and sales to original equipment manufacturers are often stronger immediately preceding and following the launch of new products. However, as a whole, we are not materially impacted by seasonality.

Critical Accounting Estimates

Our significant accounting policies, including the assumptions and judgment underlying them, are disclosed in Note 1 of the Notes to Consolidated Financial Statements. As disclosed in Note 1, the preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions about future events that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ significantly from those estimates. We believe that the following discussion addresses our most critical accounting estimates, which are those that are most important to the portrayal of our financial condition and results of operations and require management's most difficult, subjective, and complex judgments.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Provision has been made for income taxes on unremitted earnings of certain foreign subsidiaries as these earnings are not deemed to be permanently reinvested. We recognize income tax positions that meet the more likely than not threshold and accrue interest and potential penalties related to unrecognized income tax positions which are recorded as a component of the provision (benefit) for income taxes. We eliminate disproportionate tax effects from accumulated other comprehensive income (loss) when the circumstances upon which they are premised cease to exist.

The calculation of tax assets, liabilities, and expenses under U.S. GAAP is largely dependent on management judgment of the current and future deductibility and utilization of taxable expenses and benefits using a more likely than not threshold. Specifically, the realization of deferred tax assets and the certainty of tax positions taken are largely dependent upon management weighting the current positive and negative evidence for recording tax benefits and expenses. A significant piece of objective negative evidence evaluated is cumulative losses incurred over the three-year period ended December 31, 2023. Such objective evidence limits the ability to consider other subjective evidence, such as our projections for future earnings growth. We have recorded a U.S. deferred tax liability for foreign earnings which are not indefinitely reinvested. We treat global intangible low-taxed income ("GILTI") as a periodic charge in the year in which it arises and therefore do not record deferred taxes for basis differences associated with GILTI.

In the event that the actual outcome from future tax consequences differs from management estimates and assumptions or management plans and positions are amended, the resulting change to the provision for income taxes could have a material impact on the consolidated results of operations and financial position.

Impairment of Long-Lived Assets

Long-lived tangible and intangible assets subject to depreciation or amortization are tested for recoverability when changes in circumstances indicate the carrying value of these assets may not be recoverable. A test for recoverability is also performed when management has committed to a plan to dispose of a reporting unit or asset group. Assets to be held and used are tested for recoverability when indications of impairment are evident. Recoverability of a long-lived tangible or intangible asset is evaluated by comparing its carrying value to the future estimated undiscounted cash flows expected to be generated by the asset or asset group. If the asset is deemed not recoverable, then the asset is considered impaired and adjusted to fair value which is then depreciated or amortized over its remaining useful life. Assets to be disposed of are recorded at the lesser of carrying value or fair value less costs of disposal. In assessing potential impairment for long-lived assets, we consider forecasted financial performance based, in large part, on management business plans and projected financial information which are subject to a high degree of management judgment and complexity. Future adverse changes in market conditions or adverse operating results of the underlying assets could result in having to record additional impairment charges not previously recognized.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to changes in financial market conditions in the normal course of business due to use of certain financial instruments as well as transacting business in various foreign currencies. To mitigate the exposure to these market risks, we have established policies, procedures, and internal processes governing the management of financial market risks. We are exposed to changes in interest rates primarily as a result of borrowing activities.

Interest Rate Risk

We are subject to interest rate risk due to our variable rate debt, which comprises a majority of our outstanding indebtedness. The nature and amount of borrowings may vary as a result of future business requirements, market conditions, and other factors. To manage interest rate risk, we have used, and may in the future use, interest rate swap agreements.

At December 31, 2023, we had \$148.1 million of principal outstanding under the Term Loan Facility without regard to capitalized debt issuance costs. A one-percent increase in one-month SOFR would have resulted in a net increase in interest expense of \$1.5 million on an annualized basis.

At December 31, 2023, using Adjusted SOFR plus a 2.00% spread, any borrowings under the ABL Facility would have been at a 7.445% interest rate.

Foreign Currency Risk

Translation of our operating cash flows denominated in foreign currencies is impacted by changes in foreign exchange rates. We invoice and receive payment from many of our customers in various other currencies. Additionally, we are party to third party and intercompany loans, payables, and receivables denominated in currencies other than the U.S. dollar. To help reduce exposure to foreign currency fluctuation, we have incurred debt in euros in the past. Various strategies to manage this risk are available to management, including producing and selling in local currencies and hedging programs. We did not hold a position in any foreign currency derivatives as of December 31, 2023.

Item 8. Financial Statements and Supplementary Data

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
NN, Inc.

Opinion on internal control over financial reporting

We have audited the internal control over financial reporting of NN, Inc. (a Delaware corporation) and subsidiaries (the “Company”) as of December 31, 2023, 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, 2023, 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 financial statements of the Company as of and for the year ended December 31, 2023, and our report dated March 12, 2024 expressed an unqualified opinion on those consolidated 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

Charlotte, North Carolina
March 12, 2024

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
NN, Inc.

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of NN, Inc. (a Delaware corporation) and subsidiaries (the “Company”) as of December 31, 2023 and 2022, the related consolidated statements of operations and comprehensive income (loss), changes in stockholders’ equity, and cash flows for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, 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, 2023, 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 March 12, 2024 expressed unqualified opinion.

Basis for opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s 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 matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ GRANT THORNTON LLP

We have served as the Company’s auditor since 2020.

Charlotte, North Carolina
March 12, 2024

NN, Inc.
Consolidated Statements of Operations and Comprehensive Income (Loss)

(in thousands, except per share data)	Years Ended December 31,		
	2023	2022	2021
Net sales	\$ 489,270	\$ 498,738	\$ 477,584
Cost of sales (exclusive of depreciation and amortization shown separately below)	419,175	421,105	389,995
Selling, general, and administrative expense	47,436	49,635	51,489
Depreciation and amortization	46,120	47,231	46,195
Other operating expense (income), net	(1,657)	1,859	(1,091)
Loss from operations	(21,804)	(21,092)	(9,004)
Interest expense	21,137	15,041	12,664
Loss on extinguishment of debt and write-off of debt issuance costs	—	—	2,390
Derivative payments on interest rate swap	—	—	1,717
Loss on interest rate swap	—	—	2,033
Other expense (income), net	10,730	(5,064)	(5,366)
Loss from continuing operations before benefit (provision) for income taxes and share of net income from joint venture	(53,671)	(31,069)	(22,442)
Benefit (provision) for income taxes	(2,285)	(1,621)	1,756
Share of net income from joint venture	5,806	6,592	6,261
Loss from continuing operations	(50,150)	(26,098)	(14,425)
Income from discontinued operations, net of tax (Note 2)	—	—	1,200
Net loss	\$ (50,150)	\$ (26,098)	\$ (13,225)
Other comprehensive income (loss):			
Foreign currency translation gain (loss)	\$ 1,410	\$ (8,156)	\$ (1,135)
Interest rate swap:			
Change in fair value, net of tax	(230)	3,358	59
Reclassification adjustments included in net loss, net of tax	(1,815)	(420)	2,906
Other comprehensive income (loss)	\$ (635)	\$ (5,218)	\$ 1,830
Comprehensive loss	\$ (50,785)	\$ (31,316)	\$ (11,395)
Basic and diluted net loss per common share:			
Loss from continuing operations per common share	\$ (1.35)	\$ (0.83)	\$ (0.82)
Income from discontinued operations per common share	\$ —	\$ —	\$ 0.03
Basic and diluted net loss per common share	\$ (1.35)	\$ (0.83)	\$ (0.79)
Shares used to calculate basic and diluted net loss per share	46,738	44,680	44,011

See Notes to Consolidated Financial Statements.

NN, Inc.
Consolidated Balance Sheets

(in thousands, except per share data)	December 31,	
	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 21,903	\$ 12,808
Accounts receivable, net	65,545	74,129
Inventories	71,563	80,682
Income tax receivable	11,885	12,164
Prepaid assets	2,464	2,794
Other current assets	9,194	9,123
Total current assets	182,554	191,700
Property, plant and equipment, net	185,812	197,637
Operating lease right-of-use assets	43,357	46,713
Intangible assets, net	58,724	72,891
Investment in joint venture	32,701	31,802
Deferred tax assets	734	102
Other non-current assets	7,003	5,282
Total assets	\$ 510,885	\$ 546,127
Liabilities, Preferred Stock, and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 45,480	\$ 45,871
Accrued salaries, wages and benefits	15,464	11,671
Income tax payable	524	926
Short-term debt and current maturities of long-term debt	3,910	3,321
Current portion of operating lease liabilities	5,735	5,294
Other current liabilities	10,506	11,723
Total current liabilities	81,619	78,806
Deferred tax liabilities	4,988	5,596
Long-term debt, net of current maturities	149,369	149,389
Operating lease liabilities, net of current portion	47,281	51,411
Other non-current liabilities	24,827	9,960
Total liabilities	308,084	295,162
Commitments and contingencies (Note 13)		
Series D perpetual preferred stock - \$0.01 par value per share, 65 shares authorized, issued and outstanding at December 31, 2023 and 2022, respectively	77,799	64,701
Stockholders' equity:		
Common stock - \$0.01 par value per share, 90,000 shares authorized, 47,269 and 43,856 shares issued and outstanding at December 31, 2023 and 2022, respectively	473	439
Additional paid-in capital	457,632	468,143
Accumulated deficit	(295,348)	(245,198)
Accumulated other comprehensive loss	(37,755)	(37,120)
Total stockholders' equity	125,002	186,264
Total liabilities, preferred stock, and stockholders' equity	\$ 510,885	\$ 546,127

See Notes to Consolidated Financial Statements.

NN, Inc.
Consolidated Statements of Cash Flows

(in thousands)	Years Ended December 31,		
	2023	2022	2021
Cash flows from operating activities			
Net loss	\$ (50,150)	\$ (26,098)	\$ (13,225)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	46,120	47,231	46,195
Amortization of debt issuance costs and discount	1,941	1,361	1,381
Paid-in-kind interest	2,239	—	—
Loss on extinguishment of debt and write-off of debt issuance costs	—	—	2,390
Total derivative loss (gain), net of cash settlements	11,933	(5,265)	(3,259)
Share of net income from joint venture, net of cash dividends received	(1,868)	(347)	(6,261)
Gain on disposal of discontinued operations, net of tax	—	—	(1,200)
Share-based compensation expense	2,821	4,377	3,216
Deferred income taxes	(1,273)	(1,814)	(4,845)
Other	(785)	(3,207)	(2,611)
Changes in operating assets and liabilities:			
Accounts receivable	9,087	(4,920)	13,698
Inventories	9,997	(6,672)	(12,959)
Accounts payable	1,142	8,619	343
Income taxes receivable and payable, net	(89)	(1,457)	(4,516)
Other	(1,771)	(4,091)	(2,761)
Net cash provided by operating activities	29,344	7,717	15,586
Cash flows from investing activities			
Acquisition of property, plant and equipment	(20,496)	(17,952)	(18,221)
Proceeds from sale of property, plant, and equipment	2,898	460	1,418
Cash paid for post-closing adjustments on sale of business	—	—	(3,880)
Cash settlements of interest rate swap	—	—	(15,420)
Net cash used in investing activities	(17,598)	(17,492)	(36,103)
Cash flows from financing activities			
Proceeds from long-term debt	61,000	46,000	171,000
Repayments of long-term debt	(65,395)	(47,958)	(93,729)
Cash paid for debt issuance costs	(169)	(136)	(7,360)
Proceeds from issuance of preferred stock	—	—	61,793
Redemption of preferred stock	—	—	(122,434)
Proceeds from (repayments of) short-term debt	3,648	—	(1,563)
Other	(1,967)	(3,092)	(5,150)
Net cash provided by (used in) financing activities	(2,883)	(5,186)	2,557
Effect of exchange rate changes on cash flows	232	(887)	(1,522)
Net change in cash and cash equivalents	9,095	(15,848)	(19,482)
Cash and cash equivalents at beginning of year	12,808	28,656	48,138
Cash and cash equivalents at end of year	<u>\$ 21,903</u>	<u>\$ 12,808</u>	<u>\$ 28,656</u>

See Notes to Consolidated Financial Statements.

NN, Inc.
Consolidated Statements of Cash Flows

(in thousands)	Years Ended December 31,		
	2023	2022	2021
Supplemental schedule of non-cash investing activities:			
Non-cash additions to property, plant and equipment	2,743	1,266	4,438
Non-cash additions to debt issuance costs	2,712	—	—
Supplemental disclosures:			
Cash paid for interest, net of capitalized interest	15,272	13,344	10,739
Cash paid for income taxes	3,083	4,739	7,624

See Notes to Consolidated Financial Statements.

NN, Inc.
Consolidated Statements of Changes in Stockholders' Equity

(in thousands)	Common Stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Total
	Number of shares	Par value				
Balance as of December 31, 2020	42,686	\$ 427	\$ 493,332	\$ (205,875)	\$ (33,732)	\$ 254,152
Net loss	—	—	—	(13,225)	—	(13,225)
Dividends accrued for preferred stock	—	—	(21,478)	—	—	(21,478)
Shares issued under stock incentive plans, net of forfeitures	387	4	(4)	—	—	—
Share-based compensation expense	—	—	3,221	—	—	3,221
Restricted shares surrendered for tax withholdings under stock incentive plans	(52)	(1)	(362)	—	—	(363)
Shares issued for option exercises	6	—	48	—	—	48
Other comprehensive income	—	—	—	—	1,830	1,830
Balance as of December 31, 2021	43,027	\$ 430	\$ 474,757	\$ (219,100)	\$ (31,902)	\$ 224,185
Net loss	—	—	—	(26,098)	—	(26,098)
Dividends accrued for preferred stock	—	—	(10,894)	—	—	(10,894)
Shares issued under stock incentive plans, net of forfeitures	860	9	(9)	—	—	—
Share-based compensation expense	—	—	4,377	—	—	4,377
Restricted shares surrendered for tax withholdings under stock incentive plans	(31)	—	(88)	—	—	(88)
Other comprehensive loss	—	—	—	—	(5,218)	(5,218)
Balance as of December 31, 2022	43,856	\$ 439	\$ 468,143	\$ (245,198)	\$ (37,120)	\$ 186,264
Net loss	—	—	—	(50,150)	—	(50,150)
Dividends accrued for preferred stock	—	—	(13,098)	—	—	(13,098)
Shares issued under stock incentive plans, net of forfeitures and tax withholdings	3,561	36	(57)	—	—	(21)
Share-based compensation expense	—	—	2,821	—	—	2,821
Restricted shares surrendered for tax withholdings under stock incentive plans	(148)	(2)	(177)	—	—	(179)
Other comprehensive loss	—	—	—	—	(635)	(635)
Balance as of December 31, 2023	47,269	\$ 473	\$ 457,632	\$ (295,348)	\$ (37,755)	\$ 125,002

See Notes to Consolidated Financial Statements.

NN, Inc.
Notes to Consolidated Financial Statements

Note 1. Significant Accounting Policies

Nature of Business

NN, Inc. is a diversified industrial company that combines advanced engineering and production capabilities with in-depth materials science expertise to design and manufacture high-precision components and assemblies for a variety of end markets on a global basis. As used in the Notes to Consolidated Financial Statements, the terms the “Company,” “we,” “our,” or “us” refer to NN, Inc., and its subsidiaries. As of December 31, 2023, we had 27 facilities in North America, South America, Europe, and China.

Basis of Presentation

The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”). Certain prior period amounts have been reclassified to conform to the current year’s presentation. Except for per share data or as otherwise indicated, all U.S. dollar amounts presented in the tables in these Notes to Consolidated Financial Statements are in thousands.

Principles of Consolidation

Our consolidated financial statements include the accounts of NN, Inc., and its wholly owned subsidiaries. We own a 49% investment in a joint venture (the “JV”) which we account for using the equity method (see Note 9). All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates in the Preparation of Consolidated Financial Statements

The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to use estimates and assumptions that affect the reported amounts of certain assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results may differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid investments with original maturities of three months or less. We maintain cash balances in transaction accounts with various financial institutions that are insured by the Federal Deposit Insurance Corporation. Although we maintain balances that exceed the federally insured limit, we have not experienced any losses related to these balances, and we believe credit risk to be minimal. We had \$13.5 million and \$12.5 million in cash and cash equivalents as of December 31, 2023 and 2022, respectively, held at foreign financial institutions.

Accounts Receivable and Allowance for Credit Losses

Trade accounts receivable are recorded at their net realizable value. We maintain allowances for estimated losses resulting from the inability of our customers to make required payments. The allowances are based on the amount that we ultimately expect to collect from our customers. We evaluate the collectability of accounts receivable based on a combination of factors including number of days receivables are past due, historical collection experience, current market conditions, and forecasted direction of economic and business environment. Accounts receivable are written off at the time a customer receivable is deemed uncollectible.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined using standard costs, which approximates the average cost method. Our policy is to expense abnormal amounts of idle facility expense, freight, handling cost, and waste included in cost of products sold. In addition, we allocate fixed production overheads based on the normal production capacity of our facilities. Inventory valuations were developed using normalized production capacities for each of our manufacturing locations. The costs from excess capacity or under-utilization of fixed production overheads were expensed in the period incurred and are not included as a component of inventory.

Inventories also include tools, molds, and dies in progress that we are producing and will ultimately sell to our customers. These inventories are also carried at the lower of cost or net realizable value.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Assets to be disposed of are stated at the lower of depreciated cost or fair market value less estimated selling costs. Expenditures for maintenance and repairs are charged to expense as incurred. Major renewals and improvements are capitalized. When a property item is retired, its cost and related accumulated depreciation are removed from the property accounts and any gain or loss is recorded in the Consolidated Statements of Operations and Comprehensive Income (Loss). We review the carrying values of long-lived assets for

impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Property, plant and equipment also includes tools, molds, and dies used in manufacturing.

Depreciation is calculated based on historical cost using the straight-line method over the estimated useful lives of the depreciable assets. Estimated useful lives for buildings and land improvements generally range from 10 years to 40 years. Estimated useful lives for machinery and equipment generally range from 3 years to 12 years. Estimated useful lives for leasehold improvements are based on the life of the lease.

Leases

We determine whether an arrangement is a lease at inception. Lease right-of-use (“ROU”) assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. When the implicit rate is not readily determinable, we use the estimated incremental borrowing rate based on the information available at the lease commencement date in determining the present value of lease payments. The lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Amortization of lease ROU assets is recognized in expense on a straight-line basis over the lease term.

We recognize short-term leases, which have a term of twelve months or less, on a straight-line basis and do not record a related lease asset or liability for such leases. Finance lease ROU assets consist primarily of equipment used in the manufacturing process with terms of four years to eight years. Operating lease ROU assets consist of the following:

- Equipment used in the manufacturing process as well as office equipment with terms of five years; and
- Manufacturing plants and office facilities with terms of four years to 20 years.

We sublease certain leased buildings or portions of leased buildings when no longer needed for our current operational needs. Since we retain the obligation to the lessor, the underlying leases continue to be accounted for as operating leases. Sublease income is recognized on a straight-line basis over the lease term.

Impairment of Long-Lived Assets

Long-lived tangible and intangible assets subject to depreciation or amortization are tested for recoverability when changes in circumstances indicate the carrying value of these assets, or asset groups, may not be recoverable. A test for recoverability is also performed when management has committed to a plan to dispose of a reporting unit or asset group. Assets to be held and used are tested for recoverability when indications of impairment are evident. Recoverability of a long-lived tangible or intangible asset, or asset group, is evaluated by comparing its carrying value to the future estimated undiscounted cash flows expected to be generated by the asset or asset group. If the asset is deemed not recoverable, then the asset is considered impaired and adjusted to fair value which is then depreciated or amortized over its remaining useful life. Assets to be disposed of are recorded at the lesser of carrying value or fair value less costs of disposal.

Equity Method Investments

Our equity method investment is subject to a review for impairment if, and when, circumstances indicate that a decline in value below its carrying amount may have occurred. Examples of such circumstances include, but are not limited to, a significant deterioration in the earnings performance or business prospects of the investee; a significant adverse change in the regulatory, economic or technological environment of the investee; a significant adverse change in the general market condition of either the geographic area or the industry in which the investee operates; and recurring negative cash flows from operations. If management considers the decline to be other than temporary, we would write down the investment to its estimated fair market value.

Revenue Recognition

We generally transfer control and recognize revenue when we ship the product from our manufacturing facility to our customer at a point in time, as this is when our customer obtains the ability to direct use of, and obtain substantially all of the remaining benefits from, the product. In limited circumstances, we recognize revenue over time as services are rendered. We have elected to recognize the cost for freight and shipping when control over products has transferred to the customer as a component of cost of sales.

We use an observable price to determine the stand-alone selling price for separate performance obligations or a cost-plus-margin approach when an observable price is not available. The expected duration of our contracts is one year or less, and we have elected to apply the practical expedient that allows entities to disregard the effects of financing when the contract length is less than one year. The amount of consideration we receive and the revenue we recognize varies with volume rebates and incentives we offer to our customers. We estimate the amount of variable consideration that should be included in the transaction price utilizing the expected value method or the most likely amount method depending on the nature of the variable consideration. Variable consideration is included in the transaction price if, in our judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur.

We utilize the portfolio approach practical expedient to evaluate sales-related discounts on a portfolio basis to contracts with similar characteristics. The effect on our consolidated financial statements of applying the portfolio approach would not differ materially from evaluation of individual contracts.

We give our customers the right to return only defective products in exchange for functioning products or rework of the product. These transactions are evaluated and accounted for under ASC Topic 460, *Guarantees*, and we estimate the impact to the transaction price based on an analysis of historical experience.

Share Based Compensation

The cost of restricted stock awards, performance share units, and stock options is recognized as compensation expense over the vesting periods based on the grant date fair value, as determined under ASC Topic 718, *Compensation – stock compensation*. The grant-date fair value of restricted stock awards is based on the closing price of our common stock on the date of grant. We use a Monte Carlo simulation for performance share units that include a market condition. The grant-date fair value of performance share units that include performance conditions is based on the closing price of our common stock on the date of grant and compensation expense is recognized based on the estimated outcome of the performance condition. Stock options are valued using the Black Scholes financial pricing model.

Common Stock and Preferred Stock Dividends

Dividends are recorded as a reduction to retained earnings. When we have an accumulated deficit, dividends are recorded as a reduction of additional paid-in capital.

Foreign Currency Translation

Assets and liabilities of our foreign subsidiaries are translated at current exchange rates. Revenue, costs, and expenses are translated at average rates prevailing during each reporting period. Translation adjustments arising from the translation of foreign subsidiary financial statements are reported as a component of other comprehensive income (loss) and accumulated other comprehensive income (loss) within stockholders' equity. Transactions denominated in foreign currencies, including intercompany transactions, are initially recorded at the current exchange rate at the date of the transaction. The balances are adjusted to the current exchange rate as of each balance sheet date and as of the date when the transaction is consummated. Transaction gains or losses are recognized as incurred in the "Other expense (income), net" line in the Consolidated Statements of Operations and Comprehensive Income (Loss). For the years ended December 31, 2023, 2022, and 2021, transaction gains (losses) were \$0.3 million, \$0.2 million, and \$(0.5) million, respectively.

Net Income (Loss) Per Common Share

In accordance with ASC 260, *Earnings Per Share*, we allocate earnings or losses to common stockholders and participating securities using the two-class method to compute earnings per share ("EPS") unless the treasury stock method results in a lower EPS. The two-class method is an earnings allocation formula that treats participating securities as having rights to earnings that otherwise would have been available to common stockholders. Participating securities may participate in undistributed earnings with common stock whether or not that participation is conditioned upon the occurrence of a specified event. Under the two-class method, our net income (loss) is reduced (or increased) by the amount that has been or will be distributed to our participating security holders. We have elected to allocate undistributed income to participating securities based on year-to-date results. Our participating securities, which include restricted stock awards and preferred stock, do not participate in losses.

Basic net income (loss) per common share is computed by dividing net income (loss) allocable to common shares by the weighted average number of common shares outstanding, adjusted for participating securities and certain outstanding warrants. Diluted net income (loss) per common share includes the effect of warrants and stock options unless inclusion would not be dilutive.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Provision has been made for income taxes on unremitted earnings of certain foreign subsidiaries as these earnings are not deemed to be permanently reinvested. We recognize income tax positions that meet the more likely than not threshold and accrue interest and potential penalties related to unrecognized income tax positions which are recorded as a component of the provision (benefit) for income taxes. We treat global intangible low-taxed income ("GILTI") as a periodic charge in the year in which it arises and therefore do not record deferred taxes for basis differences associated with GILTI. We eliminate disproportionate tax effects from accumulated other comprehensive income (loss) when the circumstances upon which they are premised cease to exist.

Fair Value Measurements

Fair value principles prioritize valuation inputs across three broad levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. Level 3 inputs are unobservable inputs based on the assumptions used to measure assets and liabilities at fair value. An asset or liability's classification within the various levels is determined based on the lowest level input that is significant to the fair value measurement.

Government Assistance

For the years ended December 31, 2023 and 2022, we received \$0.7 million and \$1.4 million, respectively, in grants and other programs from various governments outside of the U.S. These amounts were received as employment programs, rent abatements, and incentives for capital expenditures in specific locations. Amounts received were recognized as reductions to the underlying expense or capital assets.

Note 2. Discontinued Operations

In October 2020, we sold our Life Sciences business under the terms of a Stock Purchase Agreement (the "SPA") with affiliates of American Securities LLC for \$753.3 million cash. In accordance with the terms of the SPA, we agreed to indemnify the buyer for certain tax liabilities on its consolidated federal income tax return related to the Life Sciences business during the portion of the year ended December 31, 2020, prior to the change in ownership on October 6, 2020. We recognized a tax indemnification of \$1.2 million during the year ended December 31, 2020 which was reversed during the year ended December 31, 2021, as the actual tax liability was determined to be \$0.

Note 3. Segment Information

Our business is aggregated into the following two reportable segments.

- *Mobile Solutions.* Mobile Solutions is focused on growth in the automotive, general industrial, and medical end markets. We have developed an expertise in manufacturing highly complex, tight tolerance, system critical components. Our technical capabilities can be utilized in numerous applications including for use in battery electric, hybrid electric, and internal combustion engine vehicles. The group currently manufactures components on a high-volume basis for use in power steering, braking, transmissions, and gasoline fuel system applications, along with components utilized in heating, ventilation and air conditioning and diesel injection and diesel emissions treatment applications. This expertise has been gained through investment in technical capabilities, processes and systems, and allows us to provide skilled program management and product launch capabilities.
- *Power Solutions.* Power Solutions is focused on growth in the electrical, general industrial, automotive, and medical end markets. Within this group we combine materials science expertise with advanced engineering and production capabilities to design and manufacture a broad range of high-precision metal and plastic components, assemblies, and finished devices used in applications ranging from power control to transportation electrification. We manufacture a variety of products including electrical contacts, connectors, contact assemblies, and precision stampings for the electrical end market and high precision products for the aerospace and defense end market utilizing our extensive process technologies for optical grade plastics, thermally conductive plastics, titanium, Inconel, magnesium, and electroplating. Our medical business includes the production of a variety of tools and instruments for the orthopaedics and medical/surgical end markets.

These divisions are considered our two operating segments as each has engaged in business activities for which it earns revenues and incurs expenses, discrete financial information is available for each, and this is the level at which the chief operating decision maker reviews discrete financial information for purposes of allocating resources and assessing performance.

The following table presents our financial performance by reportable segment.

	Year Ended December 31,		
	2023	2022	2021
Net sales:			
Mobile Solutions	\$ 303,335	\$ 293,536	\$ 285,863
Power Solutions	185,948	205,204	191,800
Intersegment sales eliminations	(13)	(2)	(79)
Total	\$ 489,270	\$ 498,738	\$ 477,584
Income (loss) from operations:			
Mobile Solutions	\$ (11,749)	\$ (2,165)	\$ 9,039
Power Solutions	11,096	3,536	6,493
Corporate	(21,151)	(22,463)	(24,536)
Total	\$ (21,804)	\$ (21,092)	\$ (9,004)
Depreciation and amortization:			
Mobile Solutions	\$ 29,156	\$ 28,192	\$ 28,769
Power Solutions	15,318	17,483	15,892
Corporate	1,646	1,556	1,534
Total	\$ 46,120	\$ 47,231	\$ 46,195
Expenditures for long-lived assets:			
Mobile Solutions	\$ 15,387	\$ 14,590	\$ 15,411
Power Solutions	3,643	2,401	2,200
Corporate	1,466	961	610
Total	\$ 20,496	\$ 17,952	\$ 18,221

The following table summarizes total assets by reportable segment.

	As of December 31,	
	2023	2022
Mobile Solutions (1)	\$ 329,610	\$ 338,338
Power Solutions	147,155	178,129
Corporate	34,120	29,660
Total	\$ 510,885	\$ 546,127

(1) Total assets in Mobile Solutions includes \$32.7 million and \$31.8 million as of December 31, 2023 and 2022, respectively, related to our investment in the JV.

The following table summarizes long-lived tangible assets by country.

	As of December 31,	
	2023	2022
United States	\$ 127,186	\$ 141,652
China	36,188	37,934
France	24,298	24,536
Mexico	14,038	15,235
Brazil	17,088	15,919
Poland	10,371	9,074
All foreign countries	\$ 101,983	\$ 102,698
Total	\$ 229,169	\$ 244,350

The following table summarizes revenue by country, based on our customers' shipping destination.

	Year Ended December 31,		
	2023	2022	2021
United States	\$ 294,045	\$ 301,823	\$ 293,235
China	58,195	51,556	56,972
Brazil	48,696	48,216	35,455
Mexico	26,683	40,645	35,697
Germany	8,700	5,506	5,776
Poland	6,161	5,042	3,761
Other	46,790	45,950	46,688
Total net sales	<u>\$ 489,270</u>	<u>\$ 498,738</u>	<u>\$ 477,584</u>

Note 4. Revenue from Contracts with Customers

Revenue is recognized when control of the good or service is transferred to the customer either at a point in time or, in limited circumstances, as our services are rendered over time. Revenue is measured as the amount of consideration we expect to receive in exchange for transferring goods or services. During the year ended December 31, 2022, we received equipment from a customer as part of the selling price of goods transferred. This noncash consideration was recognized as revenue equal to the fair value of the equipment received.

The following tables summarize revenue by customer industry. Our products in the automotive industry include high-precision components and assemblies for electric power steering systems, electric braking, electric motors, fuel systems, emissions control, transmissions, moldings, stampings, sensors, and electrical contacts. Our products in the general industrial industry include high-precision metal and plastic components for a variety of industrial applications including diesel industrial motors, heating and cooling systems, fluid power systems, power tools, and more. While many of the industries we serve include electrical components, our products in the residential/commercial electrical industry category in the following tables include components used in smart meters, charging stations, circuit breakers, transformers, electrical contact assemblies, precision stampings, welded contact assemblies, specification plating, and surface finishing.

Year Ended December 31, 2023	Mobile Solutions	Power Solutions	Intersegment Sales Eliminations	Total
Automotive	\$ 212,582	\$ 34,959	\$ —	\$ 247,541
General Industrial	73,350	52,276	—	125,626
Residential/Commercial Electrical	—	67,546	—	67,546
Other	17,403	31,167	(13)	48,557
Total net sales	<u>\$ 303,335</u>	<u>\$ 185,948</u>	<u>\$ (13)</u>	<u>\$ 489,270</u>

Year Ended December 31, 2022	Mobile Solutions	Power Solutions	Intersegment Sales Eliminations	Total
Automotive	\$ 197,341	\$ 40,890	\$ —	\$ 238,231
General Industrial	78,142	61,828	—	139,970
Residential/Commercial Electrical	—	70,055	—	70,055
Other	18,053	32,431	(2)	50,482
Total net sales	<u>\$ 293,536</u>	<u>\$ 205,204</u>	<u>\$ (2)</u>	<u>\$ 498,738</u>

Year Ended December 31, 2021	Mobile Solutions	Power Solutions	Intersegment Sales Eliminations	Total
Automotive	\$ 182,094	\$ 38,779	\$ —	\$ 220,873
General Industrial	90,290	60,312	—	150,602
Residential/Commercial Electrical	—	61,748	—	61,748
Other	13,479	30,961	(79)	44,361
Total net sales	<u>\$ 285,863</u>	<u>\$ 191,800</u>	<u>\$ (79)</u>	<u>\$ 477,584</u>

Other Sources of Revenue

We provide pre-production activities related to engineering efforts to develop molds, dies, and machines that are owned by our customers. We may receive advance payments from customers which are deferred until satisfying our performance obligations by compliance with customer-specified milestones, recognizing revenue at a point in time. These contracts generally have an original expected duration of less than one year.

Deferred Revenue

The timing of revenue recognition, billings, and cash collections results in billed accounts receivable and customer advances and deposits (e.g. contract liability) on the Consolidated Balance Sheets. These contract liabilities are reported on the Consolidated Balance Sheets on a contract-by-contract basis at the end of each reporting period as deferred revenue, which is reported in the “Other current liabilities” line on the Consolidated Balance Sheets.

Deferred revenue relates to payments received in advance of performance under the contract and recognized as revenue as (or when) we perform under the contract. Changes in the contract liability balances during the year ended December 31, 2023, were not materially impacted by any other factors. The balance of deferred revenue was \$0.4 million and \$0.7 million as of December 31, 2023 and December 31, 2022, respectively. Revenue recognized for performance obligations satisfied or partially satisfied during the year ended December 31, 2023 included \$0.7 million that was included in deferred revenue as of December 31, 2022.

Transaction Price Allocated to Future Performance Obligations

We are required to disclose the aggregate amount of transaction price that is allocated to performance obligations that have not yet been satisfied as of December 31, 2023, unless our contracts meet one of the practical expedients. Our contracts met the practical expedient for a performance obligation that is part of a contract that has an original expected duration of one year or less.

Costs to Obtain and Fulfill a Contract

We recognize commissions paid to internal sales personnel that are incremental to obtaining customer contracts as an expense when incurred since the amortization period is less than one year. Costs to obtain a contract are expensed as selling, general and administrative expense.

Sales, VAT, and other taxes we collect concurrent with revenue-producing activities are excluded from revenue. Incidental items that are immaterial in the context of the contract are recognized as expense.

Sales Concentration

No single customer accounted for 10% or more of consolidated net sales, during the years ended December 31, 2023, 2022, and 2021.

Note 5. Accounts Receivable

The following table presents changes in the allowance for credit losses.

	Years Ended December 31,		
	2023	2022	2021
Balance at beginning of year	\$ 1,469	\$ 1,352	\$ 2,044
Additions	118	326	78
Write-offs and other	(353)	(182)	(734)
Currency impact	7	(27)	(36)
Balance at end of year	<u>\$ 1,241</u>	<u>\$ 1,469</u>	<u>\$ 1,352</u>

As of December 31, 2023, one customer represented greater than 10% of our consolidated accounts receivable balance.

Accounts Receivable Sales Programs

We participate in programs established by our customers which allows us to sell certain receivables from that customer on a non-recourse basis to a third-party financial institution. During the years ended December 31, 2023 and 2022, we incurred fees of \$1.1 million and \$0.6 million, respectively, related to the sale of receivables which is recorded in the Other expense (income), net line item on the Consolidated Statements of Operations and Comprehensive Income (Loss).

Note 6. Inventories

Inventories are comprised of the following amounts:

	As of December 31,	
	2023	2022
Raw materials	\$ 25,456	\$ 32,146
Work in process	22,942	24,610
Finished goods	23,165	23,926
Total inventories	\$ 71,563	\$ 80,682

Note 7. Property, Plant and Equipment

Property, plant and equipment are comprised of the following amounts:

	As of December 31,	
	2023	2022
Land and buildings	\$ 61,007	\$ 58,256
Machinery and equipment	375,352	353,364
Construction in progress	3,466	11,063
Gross cost	439,825	422,683
Less: Accumulated depreciation	254,013	225,046
Property, plant and equipment, net	\$ 185,812	\$ 197,637

For the years ended December 31, 2023, 2022, and 2021, we recorded depreciation expense of \$32.0 million, \$31.4 million, and \$31.8 million, respectively.

We monitor property, plant and equipment for any indicators of potential impairment. There were no impairment charges for the years ended December 31, 2023, 2022 and 2021.

Note 8. Intangible Assets

The following table shows changes in the carrying amount of intangible assets, net, by reportable segment.

	Mobile Solutions	Power Solutions	Total
Balance as of December 31, 2021	\$ 25,709	\$ 63,009	\$ 88,718
Amortization	(3,353)	(12,474)	(15,827)
Balance as of December 31, 2022	22,356	50,535	72,891
Amortization	(3,353)	(10,814)	(14,167)
Balance as of December 31, 2023	\$ 19,003	\$ 39,721	\$ 58,724

The following table shows the cost and accumulated amortization of our intangible assets as of December 31, 2023 and 2022.

	December 31, 2023			December 31, 2022		
	Gross Carrying Value as of Acquisition Date	Accumulated Amortization	Net Carrying Value	Gross Carrying Value as of Acquisition Date	Accumulated Amortization	Net Carrying Value
Customer relationships	\$ 171,846	\$ (114,671)	\$ 57,175	\$ 173,746	\$ (103,021)	\$ 70,725
Trademark and trade name	7,527	(5,978)	1,549	7,527	(5,361)	2,166
Total identified intangible assets	\$ 179,373	\$ (120,649)	\$ 58,724	\$ 181,273	\$ (108,382)	\$ 72,891

Intangible assets that are fully amortized are removed and no longer represented in the gross carrying value or accumulated amortization.

The following table shows estimated future amortization expense for each of the next five years.

Year Ending December 31,	
2024	\$ 13,824
2025	13,824
2026	13,824
2027	11,663
2028	3,353

Intangible assets are reviewed for impairment when changes in circumstances indicate the carrying value of those assets may not be recoverable. There were no impairment charges for the years ended December 31, 2023, 2022 and 2021.

Note 9. Investment in Joint Venture

We own a 49% investment in Wuxi Weifu Autocam Precision Machinery Company, Ltd., a joint venture located in Wuxi, China. The JV is jointly controlled and managed, and we account for it under the equity method, with the share of net income from the joint venture recorded in the Mobile Solutions segment.

The following table shows changes in our investment in the JV.

Balance as of December 31, 2022	\$	31,802
Share of earnings		5,806
Dividends paid by joint venture		(3,938)
Foreign currency translation loss		(969)
Balance as of December 31, 2023	\$	<u>32,701</u>

The following tables show summarized financial information of the unconsolidated JV.

	Year Ended December 31,		
	2023	2022	2021
Net sales	109,630	101,565	94,846
Cost of sales	93,609	84,654	77,620
Income from operations	14,175	15,111	15,429
Net income	11,848	13,453	12,777

	December 31,	
	2023	2022
Current assets	68,508	63,141
Noncurrent assets	77,554	79,473
Current liabilities	68,665	66,960
Noncurrent liabilities	8,662	8,695

We recognized sales to the JV of \$0, \$0.1 million, and \$0.4 million during the years ended December 31, 2023, 2022, and 2021, respectively.

Note 10. Debt

On March 22, 2021, we entered into a \$150.0 million term loan facility (as amended from time to time, the “Term Loan Facility”) and a new \$50.0 million asset backed credit facility (as amended from time to time, the “ABL Facility”). On March 3, 2023, we amended the Term Loan Facility (the “Term Loan Amendment”) and ABL Facility to adjust certain covenants under the agreements, as well as to replace references to LIBOR with secured overnight finance rate (“SOFR”) for interest rate calculations. The following table presents the outstanding debt balances.

	As of December 31,	
	2023	2022
Term Loan Facility	\$ 148,114	\$ 147,375
ABL Facility	—	1,000
International loans	10,655	8,729
Unamortized debt issuance costs and discount (1)	(5,490)	(4,394)
Total debt	<u>\$ 153,279</u>	<u>\$ 152,710</u>

(1) In addition to this amount, costs of \$0.5 million and \$0.6 million related to the ABL Facility were recorded in other non-current assets as of December 31, 2023 and 2022, respectively.

We capitalized interest costs of \$1.3 million, \$0.6 million, and \$0.3 million in the years ended December 31, 2023, 2022, and 2021, respectively, related to construction in progress.

Term Loan Facility

Effective March 31, 2023, outstanding borrowings under the Term Loan Facility bear interest at either 1) one-month, three-month, or six-month SOFR with a duration adjustment (“Adjusted SOFR”), subject to a 1.000% floor, plus an applicable margin of 6.875%, or 2) the greater of various benchmark rates plus an applicable margin of 5.875%. Beginning in the second quarter of 2023, interest was increased on a paid-in-kind basis at a rate between 1.00% and 2.00% (“PIK interest”), dependent on the Company’s leverage ratio. The PIK interest is payable on the loan maturity date of September 22, 2026. At December 31, 2023, the Term Loan Facility bore interest, including PIK interest, based on one-month Adjusted SOFR, at 14.331%.

The Term Loan Facility requires quarterly principal payments of \$0.4 million with the remaining unpaid principal amount due at the loan maturity date. We may be required to make additional principal payments annually that are calculated as a percentage of our excess cash flow, as defined by the lender, based on our net leverage ratio. The Term Loan Facility is collateralized by all of our assets. The Term Loan Facility has a first lien on all domestic assets other than accounts receivable and inventory and has a second lien on domestic accounts receivable and inventory. We were in compliance with all requirements under the Term Loan Facility as of December 31, 2023.

The Term Loan Facility was issued at a \$3.8 million discount and we capitalized an additional \$5.4 million in new debt issuance costs. These costs are recorded as a direct reduction to the carrying amount of the associated long-term debt and amortized over the term of the debt.

We had an interest rate swap that changed the one-month LIBOR to a fixed rate of 1.291% on \$60.0 million of the outstanding balance of the Term Loan Facility. During the first quarter of 2023, we terminated the interest rate swap and received cash proceeds of \$2.5 million which was equal to its fair value.

ABL Facility

The ABL Facility provides for a senior secured revolving credit facility, with an original commitment amount of \$50.0 million, of which a maximum of \$30.0 million is available in the form of letters of credit and a maximum of \$5.0 million is available for the issuance of short-term swingline loans. The availability of credit under the ABL Facility is limited by a borrowing base calculation derived from accounts receivable and inventory held in the United States. The maximum commitment amount may be increased or decreased from time to time based on the terms of conditions of the ABL Facility. Outstanding borrowings under the ABL Facility bear interest on a variable rate structure plus an interest rate spread that is based on the average amount of aggregate revolving commitment available. Effective March 3, 2023, the variable borrowing rate is either 1) Adjusted SOFR plus an applicable margin of 1.75% or 2.00%, depending on availability, or 2) the greater of the federal funds rate or prime, plus an applicable margin of 0.75% or 1.00%, depending on availability. We may elect whether to use one-month, three-month, or six-month Adjusted SOFR. At December 31, 2023, using one-month Adjusted SOFR plus a 2.00% margin, the interest rate on outstanding borrowings under the ABL Facility would have been 7.445%. We pay a commitment fee of 0.375% for unused capacity under the ABL Facility and a 2.125% fee on the amount of letters of credit outstanding. The final maturity date of the ABL Facility is March 22, 2026.

As of December 31, 2023, we had no outstanding borrowings under the ABL Facility, \$10.9 million of outstanding letters of credit, and \$26.4 million available for future borrowings under the ABL Facility. The ABL Facility has a first lien on domestic accounts receivable and inventory. We were in compliance with all requirements under the ABL Facility as of December 31, 2023.

Future Maturities

The following table lists aggregate maturities of debt for each of the next five years.

2024	\$	3,910
2025		6,075
2026		146,156
2027		376
2028		382

Debt Issuance Costs

We recognized a \$2.4 million loss on extinguishment for unamortized debt issuance costs that were written off in the year ended December 31, 2021, in connection with the termination of our previous credit facility.

Note 11. Preferred Stock
Series D Perpetual Preferred Stock

On March 22, 2021, we completed a private placement of 65,000 shares of newly designated Series D Perpetual Preferred Stock, with a par value of \$0.01 per share (the “Series D Preferred Stock”), at a price of \$1,000 per share, together with detachable warrants (the “2021 Warrants”) to purchase up to 1.9 million shares of our common stock at an exercise price of \$0.01 per share. The Series D Preferred Stock has an initial liquidation preference of \$1,000 per share and is redeemable at our option in cash at a redemption price equal to the liquidation preference then in effect. Series D Preferred Stock shares earn cash dividends at a rate of 10.0% per year, payable quarterly in arrears, accruing whether or not earned or declared. If no cash dividend is paid, then the liquidation preference per share effective on the dividend date increases by 12.0% per year. On March 22, 2026, the cash dividend rate and in-kind dividend rate increase by 2.5% per year. Cash dividends are required beginning on September 30, 2027.

The Series D Preferred Stock is classified as mezzanine equity, between liabilities and stockholders’ equity, because certain features of the Series D Preferred Stock could require redemption of the Series D Preferred Stock upon a change of control event that is considered not solely within our control. For initial recognition, the Series D Preferred Stock was recognized at a discounted value, net of issuance costs and allocation to warrants and a bifurcated embedded derivative. The aggregate discount is amortized as a deemed dividend through March 22, 2026, which is the date the dividend rate begins to increase by 2.5% per year. Deemed dividends adjust additional paid-in capital due to the absence of retained earnings.

In accordance with ASC 815-15, *Derivatives and Hedging - Embedded Derivatives*, certain features of the Series D Preferred Stock were bifurcated and accounted for as derivatives separately. Note 18 discusses the accounting for these features.

As of December 31, 2023, the carrying value of the Series D Preferred Stock shares was \$77.8 million, which included \$31.1 million of accumulated unpaid and deemed dividends. The following table presents the change in the Series D Preferred Stock carrying value.

	Years Ended December 31,		
	2023	2022	2021
Balance at beginning of year	\$ 64,701	\$ 53,807	\$ —
Proceeds from issuance of shares, net of issuance costs	—	—	61,793
Fair value of 2021 Warrants issued	—	—	(14,839)
Recognition of bifurcated embedded derivative	—	—	(282)
Accrual of in-kind dividends	10,085	8,961	6,222
Amortization	3,013	1,933	913
Balance at end of year	<u>\$ 77,799</u>	<u>\$ 64,701</u>	<u>\$ 53,807</u>

Series B Convertible Preferred Stock

On December 11, 2019, we issued 100,000 shares of contingently redeemable Series B convertible preferred stock (the “Series B Preferred Stock”), together with detachable warrants (the “2019 Warrants”) to purchase up to 1.5 million shares of our common stock at an original exercise price of \$12.00 per share. The Series B Preferred Stock had a liquidation preference of \$1,000 per share and earned cumulative dividends at a rate of 10.625% per year, and accrued whether or not earned or declared. On March 22, 2021, we used the net cash proceeds of \$61.8 million from the issuance of the Series D Preferred Stock, along with part of the proceeds from the Term Loan Facility, to redeem all of the outstanding shares of the Series B Preferred Stock. The following table presents the change in the Series B Preferred Stock carrying value for the year ended December 31, 2021.

Balance as of December 31, 2020	\$ 105,086
Accrual of in-kind dividends	14,008
Amortization	335
Redemption	(119,429)
Balance as of December 31, 2021	<u>\$ —</u>

Note 12. Leases

The following table presents components of lease expense:

	Years Ended December 31,		
	2023	2022	2021
Operating lease cost	\$ 8,077	\$ 8,285	\$ 8,015
Finance lease cost:			
Amortization of right-of-use assets	1,600	1,318	1,451
Interest expense	345	351	213
Short-term lease cost (1)	604	438	655
Sublease income	(2,284)	(195)	—
Total lease cost	\$ 8,342	\$ 10,197	\$ 10,334

(1) Excludes expenses related to leases with a lease term of one month or less.

The following table presents lease-related assets and liabilities recorded on the balance sheet.

Financial Statement Line Item	As of December 31,	
	2023	2022
Assets:		
Operating lease assets	\$ 43,357	\$ 46,713
Finance lease assets	13,599	12,989
Total lease assets	\$ 56,956	\$ 59,702
Liabilities:		
Current liabilities:		
Operating lease liabilities	\$ 5,735	\$ 5,294
Finance lease liabilities	2,047	2,610
Non-current liabilities:		
Operating lease liabilities	47,281	51,411
Finance lease liabilities	4,488	3,828
Total lease liabilities	\$ 59,551	\$ 63,143

The following table contains supplemental cash flow information related to leases.

	Years Ended December 31,		
	2023	2022	2021
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows used in operating leases	\$ 8,462	\$ 14,214	\$ 13,434
Operating cash flows used in finance leases	345	351	213
Financing cash flows used in finance leases	1,766	3,003	4,836
Right-of-use assets obtained in exchange for new operating lease liabilities (1)	1,028	5,181	—
Right-of-use assets obtained in exchange for new finance lease liabilities	1,619	1,263	2,814

(1) Includes new leases, renewals, and modifications.

The weighted average remaining lease term and weighted-average discount rate for operating and finance leases were as follows:

	As of December 31,	
	2023	2022
Weighted-average remaining lease term - operating leases	9.2 years	10.1 years
Weighted-average remaining lease term - finance leases	3.1 years	3.1 years
Weighted-average discount rate - operating leases	7.7 %	7.5 %
Weighted-average discount rate - finance leases	5.2 %	5.3 %

The maturities of lease liabilities as of December 31, 2023, is as follows:

	Operating Leases	Finance Leases
2024	\$ 9,524	\$ 2,341
2025	8,683	2,225
2026	8,524	1,647
2027	8,327	868
2028	6,782	96
Thereafter	30,697	—
Total future minimum lease payments	72,537	7,177
Less: imputed interest	19,521	642
Total lease liabilities	\$ 53,016	\$ 6,535

Subleases

We have entered into subleases for certain leased buildings or portions of leased buildings when no longer needed for our current operational needs. The weighted-average remaining lease term of our subleases is 10.9 years. In June 2023, we began subleasing our Taunton and Irvine sites, under subleases that extend through the lease termination dates of the respective head leases. In August 2022, we began subleasing a portion of our leased corporate headquarters office space. The undiscounted cash flows to be received under operating subleases subsequent to December 31, 2023, is as follows:

2024	\$ 3,353
2025	3,458
2026	3,567
2027	3,541
2028	3,237
Thereafter	22,603

Note 13. Commitments and Contingencies

Brazil ICMS Tax Matter

Prior to the acquisition of Autocam Corporation (“Autocam”) in 2014, Autocam’s Brazilian subsidiary (“Autocam Brazil”) received notification from the Brazilian tax authority regarding ICMS (state value added tax) tax credits claimed on intermediary materials (e.g., tooling and perishable items) used in the manufacturing process. The Brazilian tax authority notification disallowed state ICMS tax credits claimed on intermediary materials based on the argument that these items are not intrinsically related to the manufacturing processes. Autocam Brazil filed an administrative defense with the Brazilian tax authority arguing, among other matters, that it should qualify for an ICMS tax credit, contending that the intermediary materials are directly related to the manufacturing process.

We believe that we have substantial legal and factual defenses, and we plan to defend our interests in this matter vigorously. The matter encompasses several lawsuits filed with the Brazilian courts requesting declaratory actions that no tax is due or seeking a stay of execution on the collection of the tax. In 2018, we obtained a favorable decision in one of the declaratory actions for which the period for appeal has expired. We have filed actions in each court requesting dismissal of the matter based on the earlier court action. In May 2020, we received an unfavorable decision in one of the lawsuits, and as a result have recorded a liability to the Brazilian tax authorities and a receivable from the former shareholders of Autocam for the same amount. Although we anticipate a favorable resolution to the remaining matters, we can provide no assurances that we will be successful in achieving dismissal of all pending cases. The U.S. dollar amount that would be owed in the event of an unfavorable decision is subject to interest, penalties, and currency impacts and therefore is dependent on the timing of the decision. For the remaining open lawsuits, we currently believe the cumulative potential liability in the event of unfavorable decisions on all matters will be less than \$5.0 million, inclusive of interest and penalties.

We are entitled to indemnification from the former shareholders of Autocam, subject to the limitations and procedures set forth in the agreement and plan of merger relating to the Autocam acquisition. Management believes the indemnification would include amounts owed for the tax, interest, and penalties related to this matter. Accordingly, we do not expect to incur a loss related to this matter even in the event of an unfavorable decision and, therefore, have not accrued an amount for the remaining matters as of December 31, 2023.

Other Legal Matters

All other legal proceedings are of an ordinary and routine nature and are incidental to our operations. Management believes that such proceedings should not, individually or in the aggregate, have a material adverse effect on our business, financial condition, results of operations, or cash flows. In making that determination, we analyze the facts and circumstances of each case at least quarterly in consultation with our attorneys and determine a range of reasonably possible outcomes.

Note 14. Income Taxes

The following table summarizes the income (loss) from continuing operations before benefit (provision) for income taxes and share of net income from joint venture.

	Years Ended December 31,		
	2023	2022	2021
United States	\$ (64,394)	\$ (40,543)	\$ (35,325)
Foreign	10,723	9,474	12,883
Loss from continuing operations before benefit (provision) for income taxes and share of net income from joint venture	\$ (53,671)	\$ (31,069)	\$ (22,442)

The following table summarizes total income tax expense (benefit) recognized in each year.

	Years Ended December 31,		
	2023	2022	2021
Current taxes:			
U.S. Federal	\$ (580)	\$ (545)	\$ (19)
State	126	(625)	(615)
Foreign	3,901	4,576	3,014
Total current tax expense	3,447	3,406	2,380
Deferred taxes:			
U.S. Federal	\$ (9,057)	\$ (6,245)	\$ (8,421)
State	(1,833)	70	(1,099)
Foreign	(721)	(986)	(154)
U.S. federal, state and foreign valuation allowance	10,449	5,376	5,538
Total deferred tax benefit	(1,162)	(1,785)	(4,136)
Total income tax expense (benefit)	\$ 2,285	\$ 1,621	\$ (1,756)

The following table presents a reconciliation of income taxes based on the U.S. federal statutory income tax rate.

	Years Ended December 31,		
	2023	2022	2021
U.S federal statutory income tax rate	21.0 %	21.0 %	21.0 %
Change in valuation allowance, exclusive of state	(16.1)%	(17.5)%	(20.0)%
State taxes, net of federal taxes, exclusive of tax reform	(0.2)%	1.6 %	4.5 %
Non-U.S. earnings taxed at different rates	1.1 %	0.7 %	3.0 %
Global intangible low-taxed income	(2.3)%	(3.9)%	(6.0)%
Deferred true-up	(0.8)%	(6.4)%	— %
Research and development tax credit	0.2 %	0.3 %	1.0 %
Change in uncertain tax positions	— %	— %	0.7 %
Interest on CARES Act refund	1.1 %	1.8 %	— %
Return to provision	0.1 %	1.3 %	0.8 %
Taxes on unremitted foreign earnings	(2.4)%	(3.9)%	2.0 %
Intercompany lending	(1.3)%	(2.7)%	(5.3)%
Warrant revaluation	(4.3)%	3.6 %	6.5 %
Other adjustments, net	(0.4)%	(1.1)%	(0.4)%
Effective tax rate	(4.3)%	(5.2)%	7.8 %

Our effective tax rate was (4.3)% and (5.2)% for the years ended December 31, 2023 and 2022, respectively. The effective tax rates differed from the U.S. federal statutory tax rate of 21% primarily due to the impact of our valuation allowance change during the year. Our effective tax rate for continuing operations was 7.8% for the year ended December 31, 2021, which differed from the U.S. federal statutory tax rate of 21% primarily due to the impact of our valuation allowance change during the year.

In 2021, we filed a refund claim with the IRS as a result of the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”). During the years ended December 31, 2023 and 2022, we accrued \$0.6 million and \$0.6 million, respectively, of interest on the CARES Act refund. Including interest accrued on the initial refund amount, we have a \$11.6 million tax refund receivable at December 31, 2023, which is in the process of IRS review and approval. The timing of the receipt of the refund remains uncertain at December 31, 2023.

The following table summarizes the principal components of the deferred tax assets and liabilities.

	As of December 31,	
	2023	2022
Deferred income tax liabilities:		
Tax in excess of book depreciation	\$ 21,497	\$ 24,045
Intangible assets	13,659	16,978
Operating leases	9,970	10,669
Interest rate swap	—	754
Taxes on unremitted foreign earnings	4,658	4,961
Other deferred tax liabilities	725	761
Total deferred income tax liabilities	50,509	58,168
Deferred income tax assets:		
Interest expense limitation	14,920	10,723
Goodwill	20,419	22,277
Inventories	2,456	2,292
Section 174 research and development costs	2,400	1,859
Pension and personnel accruals	1,818	1,717
Operating leases	12,238	12,852
Net operating loss carryforwards	32,043	24,299
Interest rate swap	251	—
Credit carryforwards	3,235	2,803
Accruals and reserves	904	978
Other deferred tax assets	3,099	3,086
Deferred income tax assets before valuation allowance	93,783	82,886
Valuation allowance on deferred tax assets	(47,528)	(30,212)
Total deferred income tax assets	46,255	52,674
Net deferred income tax liabilities	\$ 4,254	\$ 5,494

As of December 31, 2023, we had a \$37.9 million U.S. federal net operating loss (“NOL”) carryover. The federal NOL has an indefinite life, but utilization within any tax year is limited to 80% of taxable income. Management has determined it is more likely than not this NOL will not be realized and has established a full valuation allowance against the deferred tax asset. As of December 31, 2023, we had \$16.2 million of tax effected, state NOL carryovers, which begin to expire in 2030. Management has determined it is more likely than not these state NOL’s will not be realized and has established a full valuation allowance against these deferred tax assets. We also have \$11.3 million, tax-effected, of foreign NOL carryovers at December 31, 2023. The foreign NOLs have an indefinite life; however, management believes that benefit for certain of the foreign NOLs may not be realized. Therefore, we have established a valuation allowance of \$8.1 million to reduce the carrying value of the asset related to foreign NOLs to the amount that has been determined to be more likely than not realized.

We have \$0.4 million and \$2.9 million of U.S. federal tax credits and tax credits in foreign jurisdictions, respectively, as of December 31, 2023. We have recognized a full valuation allowance against these tax credits. In addition, we have other federal and state deferred tax assets of \$2.0 million that we believe it is more likely than not will not be realized for which we have established a full valuation allowance.

We have a U.S. federal and state deferred tax asset related to interest expense carryforwards. Management believes it is more likely than not that the benefit for this asset will not be realized. We have established a valuation allowance of \$14.9 million to eliminate the carrying value of this asset.

Management assesses available positive and negative evidence to estimate whether it is more likely than not sufficient future taxable income will be generated to provide use of the existing deferred tax assets. A significant piece of objective negative evidence evaluated is cumulative losses incurred over the three-year period ended December 31, 2023. Such objective evidence limits the ability to consider other subjective evidence, such as our projections for future earnings growth. On the basis of this evaluation, as of December 31, 2023, a valuation allowance of \$47.5 million has been recorded to recognize only the portion of the deferred tax asset that is more likely than not to be realized without consideration of future earnings growth.

Management believes all remaining tax assets will more likely than not be realized. However, the amount of the deferred tax asset realized will change based on future conditions, and the amount considered realizable will be adjusted if objective negative evidence in the form of cumulative losses is no longer present allowing additional weight to be given to subjective evidence such as our projections for growth.

During 2023, the valuation allowance increased by \$17.3 million, primarily due to allowances recorded against U.S. federal net operating loss carryforwards, foreign net operating loss carryforwards, and carryforwards of disallowed interest expense which are subject to certain annual deduction limitations. The increase was partially offset by the release of valuation allowance in Brazil. As of December 31, 2023, Brazil had emerged from a recent history of cumulative losses and management has confidence in the operations ability to sustain profits in the future.

As a result of the deemed mandatory repatriation provisions in the U.S. Tax Cuts and Jobs Act of 2017 and subsequent recognition in income of GILTI, we do not have material basis differences related to cumulative unremitted earnings for U.S. income tax purposes. However, we continue to evaluate the impact that repatriation of foreign earnings would have on withholding and other taxes. As of December 31, 2023, we have recorded a liability of \$4.7 million for the anticipated withholding taxes that would be due upon repatriation of the unremitted earnings of those subsidiaries for which management does not intend to permanently reinvest.

In 2021, the Company asserted that it was permanently reinvested in certain jurisdictions for which it previously was unable to assert permanent reinvestment. Prior to the Company's debt refinancing in 2021, the Company had recorded a liability on all unremitted earnings. However, upon completion of the debt refinancing, the Company reevaluated repatriation plans, changed its assertion for certain jurisdictions and recorded the resulting tax benefit of \$2.4 million.

We are subject to U.S. federal income tax as well as tax in several foreign jurisdictions. We are also subject to tax by various state authorities. The tax years subject to examination vary by jurisdiction. We are no longer subject to U.S. federal examination for periods before 2017. We are currently under federal examination for tax years 2017, 2018 and 2019. We regularly assess the outcomes of both ongoing and future examinations for the current or prior years to ensure our provision for income taxes is sufficient. We recognize liabilities based on estimates of whether additional taxes will be due, and we believe our reserves are adequate in relation to any potential assessments. The outcome of any one examination, some of which may conclude during the next twelve months, is not expected to have a material impact on our financial position or results of operations.

Interest and penalties related to federal, state, and foreign income tax matters are recorded as a component of the provision for income taxes in our Consolidated Statements of Operations and Comprehensive Income (Loss). Accrued interest and penalties of \$0.5 million and \$0.5 million are included in other non-current liabilities as of December 31, 2023 and 2022, respectively.

The following table presents a reconciliation of the beginning and ending amounts of unrecognized tax benefits, excluding interest and penalties.

	Years Ended December 31,		
	2023	2022	2021
Balance at beginning of year	\$ 118	\$ 125	\$ 247
Additions for tax positions of prior years	3	—	—
Reductions for tax positions of prior years	—	(7)	(122)
Balance at end of year	\$ 121	\$ 118	\$ 125

The increase to unrecognized tax benefits in 2023 is related to the foreign currency remeasurement of previously unrecognized tax benefits. As of December 31, 2023, the unrecognized tax benefits would, if recognized, impact our effective tax rate by \$0.7 million, inclusive of the impact of interest and penalties. Management believes that it is reasonably possible that the amount of unrecognized income tax benefits, including interest and penalties, may not decrease during the next twelve months as no statutes are expected to lapse within the period.

We operate under tax holidays in other countries, which are effective through December 31, 2026, and may be extended if certain additional requirements are satisfied. The tax holidays are conditional upon our meeting certain employment and investment thresholds. The tax holidays did not impact our 2023 or 2022 foreign taxes and decreased foreign taxes by \$0.2 million for the year ended December 31, 2021.

Note 15. Net Income (Loss) Per Common Share

The following table summarizes the computation of basic and diluted net income (loss) per common share.

	Years Ended December 31,		
	2023	2022	2021
Numerator:			
Loss from continuing operations	\$ (50,150)	\$ (26,098)	\$ (14,425)
Adjustment for preferred stock cumulative dividends and deemed dividends	(13,098)	(10,894)	(21,478)
Numerator for basic and diluted net loss from continuing operations per common share	(63,248)	(36,992)	(35,903)
Income from discontinued operations, net of tax	—	—	1,200
Numerator for basic and diluted net loss per common share	\$ (63,248)	\$ (36,992)	\$ (34,703)
Denominator:			
Weighted average common shares outstanding	46,174	43,738	42,991
Adjustment for participating securities	(2,636)	(951)	(461)
Adjustment for warrants outstanding (1)	3,200	1,893	1,481
Shares used to calculate basic and diluted net loss per share	46,738	44,680	44,011
Basic and diluted net loss from continuing operations per common share	\$ (1.35)	\$ (0.83)	\$ (0.82)
Basic and diluted net income from discontinued operations per common share	—	—	0.03
Basic and diluted net loss per common share	\$ (1.35)	\$ (0.83)	\$ (0.79)
Cash dividends declared per common share	\$ —	\$ —	\$ —

(1) Outstanding warrants that are exercisable at an exercise price of \$0.01 per share, are included in shares outstanding for calculation of basic earnings per share (see Note 18).

The following table presents potentially dilutive securities that were excluded from the calculation of diluted net income (loss) per common share because they had an anti-dilutive effect.

	Years Ended December 31,		
	2023	2022	2021
Options	381	557	766
2019 Warrants	1,500	1,500	1,500
	1,881	2,057	2,266

Stock options excluded from the EPS calculations had a per share exercise price ranging from \$7.93 to \$25.16 for the year ended December 31, 2023. The 2019 Warrants excluded from the EPS calculations for the year ended December 31, 2023 had a per share exercise price of \$11.03.

Note 16. Share-Based Compensation

As of December 31, 2023, we have 1.5 million shares available that can be issued to employees and non-executive directors under the NN, Inc. 2022 Omnibus Incentive Plan and prior plans (collectively, the “Incentive Plans”), as options, stock appreciation rights, and other share-based awards. Shares of our common stock delivered upon exercise or vesting may consist of newly issued shares of our common stock or shares acquired in the open market.

Share-based compensation expense is recognized in the “Selling, general, and administrative expense” line in the Consolidated Statements of Operations and Comprehensive Income (Loss). The following table lists the components of share-based compensation expense by type of award.

	Years Ended December 31,		
	2023	2022	2021
Restricted stock	\$ 2,237	\$ 3,635	\$ 2,166
Performance share units	570	602	797
Stock options	14	140	253
Share-based compensation expense	\$ 2,821	\$ 4,377	\$ 3,216

Unrecognized compensation cost related to unvested awards was \$7.0 million as of December 31, 2023, which will be recognized over a weighted-average period of 4.0 years.

Restricted Stock

During the years ended December 31, 2023, 2022, and 2021, we granted 3,782,000, 897,000, and 459,000 shares of restricted stock with weighted average grant-date fair values of \$1.37, \$3.31, and \$6.84 per share, respectively. The total grant-date fair value of restricted stock that vested in the years ended December 31, 2023, 2022, and 2021, was \$4.2 million, \$2.1 million, and \$2.8 million, respectively.

The following table presents the status of unvested restricted stock awards as of December 31, 2023 and changes during the year then ended.

	Nonvested Restricted Shares	Weighted Average Grant-Date Fair Value
Unvested at January 1, 2023	1,038	\$ 4.03
Granted	3,782	1.37
Vested	(1,146)	3.65
Forfeited	(269)	1.43
Unvested at December 31, 2023	3,405	\$ 1.41

During the year ended December 31, 2023, we granted 1,952,000 shares of restricted stock to non-executive directors, officers and certain other employees under the Incentive Plans. These shares vest pro-rata generally over three years for employees and over one year for non-executive directors. During the year ended December 31, 2023, we granted 1,830,000 shares of restricted stock, outside of the Incentive Plans, to new executive officers as inducement awards, which vest pro-rata over five years.

Performance Share Units

Performance Share Units (“PSUs”) are a form of long-term incentive compensation awarded to executive officers and certain other key employees designed to directly align the interests of employees to the interests of our stockholders, and to create long-term stockholder value. PSUs vest upon achieving specified performance targets over a performance period, which are based on total shareholder return (“TSR Awards”), return on invested capital (“ROIC Awards”), or on the Company’s stock price meeting specified thresholds. If the performance metric thresholds are not met at the end of performance period, the PSUs expire automatically.

The TSR Awards vest, if at all, upon our achieving a specified relative total shareholder return, which will be measured against the total shareholder return of a specified index, as defined by the Incentive Plans, during the performance periods. The ROIC Awards vest, if at all, upon our achieving a specified average return on invested capital during the performance periods. The performance periods for TSR Awards and ROIC Awards begins on January 1st of the year of grant and ends three years later on December 31st.

PSUs that vest will be settled by the issuance of shares of our common stock with the actual number of shares interpolated between a threshold and maximum payout amount based on actual performance results. No dividends will be paid on outstanding PSUs during the performance period; however, dividend equivalents will be paid based on the number of shares of common stock that are ultimately earned at the end of the performance periods.

The following table presents the status of unvested PSUs as of December 31, 2023 and activity during the year then ended.

	Nonvested PSU Awards	Weighted Average Grant-Date Fair Value
Nonvested at January 1, 2023	1,032	\$ 3.80
Granted	3,621	1.14
Vested	(67)	4.63
Forfeited	(635)	2.47
Expired	(162)	7.82
Nonvested at December 31, 2023	<u>3,789</u>	<u>\$ 1.29</u>

During the year ended December 31, 2023, we granted 561,000 TSR Awards to executive officers under the Incentive Plans for the 2023 to 2025 performance period. During the year ended December 31, 2023, we granted 3,060,000 PSUs, outside of the Incentive Plans, to new executive officers as inducement awards. The inducement award PSUs cliff-vest after five years and are contingent on the Company's stock price meeting specified thresholds. During the years ended December 31, 2022 and 2021, we granted 790,000 and 314,000 PSUs with weighted average grant-date fair values of \$2.58 and \$7.82 per share, respectively.

During the year ended December 31, 2023, 67,000 PSUs were subject to accelerated vesting upon a participant's termination that was a qualifying event under the terms of the Incentive Plans. The total grant date fair value of PSUs that vested in the year ended December 31, 2023, was \$0.3 million. No other PSUs were vested during the years ended December 31, 2023, 2022 and 2021.

Stock Options

Stock options, which were last granted in 2020, have an exercise price equal to the closing price of our stock on the date of grant, an exercise term of ten years with a vesting period of three years. The following table presents stock option activity for the year ended December 31, 2023.

	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at January 1, 2023	538	\$ 12.63		
Expired	(242)	10.39		
Outstanding and exercisable at December 31, 2023	<u>296</u>	<u>\$ 14.46</u>	2.9 years	\$ — (1)

- (1) The aggregate intrinsic value is the sum of intrinsic values for each exercisable individual option grant. The intrinsic value is the amount by which the closing market price of our stock at December 31, 2023, was greater than the exercise price of any individual option grant.

Note 17. Accumulated Other Comprehensive Income

The components of accumulated other comprehensive income (loss) (“AOCI”) are as follows:

	Foreign Currency Translation	Interest rate swap	Income taxes (1)	Total
Balance as of December 31, 2020	\$ (30,881)	\$ (3,712)	\$ 861	\$ (33,732)
Other comprehensive income (loss) before reclassifications	(1,135)	78	(19)	(1,076)
Amounts reclassified from AOCI to interest expense (2)	—	73	(18)	55
Amounts reclassified from AOCI to loss on interest rate swap (3)	—	3,712	(861)	2,851
Net other comprehensive income (loss)	(1,135)	3,863	(898)	1,830
Balance as of December 31, 2021	\$ (32,016)	\$ 151	\$ (37)	\$ (31,902)
Other comprehensive income (loss) before reclassifications	(8,156)	3,426	(68)	(4,798)
Amounts reclassified from AOCI to interest expense (2)	—	(428)	8	(420)
Net other comprehensive income (loss)	(8,156)	2,998	(60)	(5,218)
Balance as of December 31, 2022	\$ (40,172)	\$ 3,149	\$ (97)	\$ (37,120)
Other comprehensive income (loss) before reclassifications	1,410	(327)	97	1,180
Amounts reclassified from AOCI to interest expense (2)	—	(1,815)	—	(1,815)
Net other comprehensive income (loss)	1,410	(2,142)	97	(635)
Balance as of December 31, 2023	\$ (38,762)	\$ 1,007	\$ —	\$ (37,755)

(1) Income tax effect of changes in interest rate swap.

(2) Represents (gain) loss recognized in interest expense on effective interest rate swap.

(3) Represents reclassification of derivative loss and settlements after discontinuation of hedge accounting.

Note 18. Fair Value Measurements

Fair value is an exit price representing the expected amount that an entity would receive to sell an asset or pay to transfer a liability in an orderly transaction with market participants at the measurement date. We followed consistent methods and assumptions to estimate fair values as more fully described in Note 1.

Embedded Derivatives

In accordance with ASC 815-15, *Derivatives and Hedging - Embedded Derivatives*, certain features of our preferred stock and long-term debt were bifurcated and accounted for as derivatives separately.

In conjunction with the Term Loan Amendment, we issued warrants to purchase up to 2.0 million shares of our common stock at an exercise price of \$0.01 per share (the “2023 Warrants”). The 2023 Warrants are exercisable, in full or in part, at any time prior to June 30, 2033. The 2023 Warrants include anti-dilution adjustments in the event of certain future equity issuances, stock splits, stock dividends, combinations or similar events.

In conjunction with our placement of the Series D Preferred Stock, we issued the 2021 Warrants to purchase up to 1.9 million shares of our common stock. The 2021 Warrants, are exercisable, in full or in part, at any time prior to March 22, 2027, at an exercise price of \$0.01 per share, subject to anti-dilution adjustments in the event of certain future equity issuances, stock splits, stock dividends, combinations or similar events. On February 5, 2024, all of the 2021 Warrants were exercised on a cashless basis, resulting in the issuance of 1,896,000 shares.

The Series D Preferred Stock includes a put feature that allows the holder to redeem the Series D Preferred Stock upon a change in control at the greater of 1) the liquidation preference plus accrued dividends or 2) 140% of the liquidation preference. The put feature was considered a redemption right at a premium and is not clearly and closely related to the debt host. Since the liquidation preference plus accrued dividends was greater than 140% of the liquidation preference at December 31, 2023, the put feature is no longer applicable.

In conjunction with our placement of the Series B Preferred Stock, we issued the 2019 Warrants to purchase up to 1.5 million shares of our common stock. The 2019 Warrants, are exercisable, in full or in part, at any time prior to December 11, 2026, at an exercise price of \$11.03 per share, and are subject to anti-dilution adjustments in the event of future below market issuances, stock splits, stock dividends, combinations or similar events.

The following table presents the changes in the liability balance of the embedded derivatives.

	Years Ended December 31,	
	2023	2022
Balance at beginning of year	\$ 2,959	\$ 8,224
Issuances	2,712	—
Change in fair value (1)	10,885	(5,265)
Balance at end of year	\$ 16,556	\$ 2,959

(1) Changes in the fair value are recognized in the “Other expense (income), net” line in the Consolidated Statements of Operations and Comprehensive Income (Loss).

The following tables show the fair values of the embedded derivatives within the fair value hierarchy.

<u>December 31, 2023</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Derivative liability - other non-current liabilities	15,421	—	1,135

<u>December 31, 2022</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Derivative liability - other non-current liabilities	2,831	—	128

The fair value of the 2023 Warrants and 2021 Warrants is determined using the observable market price of a share of our common stock, less the \$0.01 per share exercise price.

The fair value of the change-in-control put feature utilized unobservable inputs based on the Company’s assessment of the probability of a change-in-control event occurring in a future period. The probability of a change-in-control event was 3% to 10% as of December 31, 2022.

The fair value of the 2019 Warrants is determined using a valuation model that utilizes unobservable inputs to determine the probability that the 2019 Warrants will remain outstanding for future periods. The probabilities resulted in a weighted average term of 2.9 years as of December 31, 2023 and 2022.

Interest Rate Swaps

On July 22, 2021, we entered into a fixed-rate interest rate swap agreement to change the LIBOR-based component of the interest rate on a portion of our variable rate debt to a fixed rate of 1.291% (the “2021 Swap”). The 2021 Swap has a notional amount of \$60.0 million and a maturity date of July 31, 2024. We designated the 2021 Swap as a cash flow hedge at inception with cash settlements recognized in interest expense. During the first quarter of 2023, we terminated the 2021 Swap and received cash proceeds of \$2.5 million which was the fair value of the 2021 Swap. Since the 2021 Swap was an effective cash flow hedge and the forecasted interest payments remaining probable of occurring, the gain will be recognized as a reduction to interest expense through the original maturity date of July 31, 2024.

On February 8, 2019, we entered into a \$700.0 million fixed-rate interest rate swap agreement that changed the LIBOR-based portion of the interest rate on a portion of our variable rate debt to a fixed rate of 2.4575% (the “2019 Swap”). On March 22, 2021, we terminated the 2019 Swap with a \$13.7 million cash payment in connection with the extinguishment of our previously outstanding long-term variable-rate debt. The 2019 Swap was designated as a cash flow hedge at inception. However, in the fourth quarter of 2020, the 2019 Swap no longer qualified as an effective hedge, and subsequent changes in fair value of the 2019 Swap were recognized in earnings. Cash settlements during 2021 are presented in investing activities on the Consolidated Statements of Cash Flows.

The following table presents the effect of the interest rate swaps on the Consolidated Statements of Operations and Comprehensive Income (Loss).

	Years Ended December 31,		
	2023	2022	2021
Interest expense (benefit) (1)	\$ (1,815)	\$ (428)	\$ 73
Derivative payments on interest rate swap (2)	—	—	1,717
Loss on interest rate swap (2)	—	—	2,033

(1) Represents (gain) loss recognized in interest expense on effective interest rate swap.

(2) Represents settlements and changes in fair value on the 2019 Swap while the hedge was ineffective.

As of December 31, 2023 and 2022, we reported \$1.0 million and \$3.1 million gains, respectively, net of tax, in accumulated other comprehensive income related to the interest rate swap.

The following table shows the fair values of the interest rate swaps within the fair value hierarchy.

<u>December 31, 2022</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Derivative asset - other current assets	\$ —	\$ 2,130	\$ —
Derivative asset - other non-current assets	\$ —	\$ 1,023	\$ —
Total	\$ —	\$ 3,153	\$ —

The fair value of the interest rate swap was calculated through standard pricing models which used inputs derived from or corroborated by observable market data such as interest rate yield curves, index forward curves, discount curves, and volatility surfaces. The counterparty to the derivative contract is a highly rated financial institution which we believe carried only a minimal risk of nonperformance.

Fair Value Disclosures

Our financial instruments that are subject to fair value disclosure consist of cash and cash equivalents, accounts receivable, accounts payable, and debt. As of December 31, 2023 and 2022, the carrying values of these financial instruments, except for debt, approximated fair value. The fair value of our debt was \$162.2 million and \$155.2 million, with a carrying amount of \$153.3 million and \$152.7 million, as of December 31, 2023 and 2022, respectively. The fair value of debt was calculated by discounting the future cash flows to its present value using prevailing market interest rates for debt with similar creditworthiness, terms and maturities and is considered a Level 3 fair value measurement.

Note 19. Subsequent Event

On March 5, 2024, we entered into a Purchase and Sale and Escrow Agreement to sell and leaseback three of our properties (the “Properties”). The sale is expected to close on or around March 15, 2024, with the buyer’s obligation to close subject to inspection, due diligence and other customary closing conditions. The aggregate purchase price for the Properties is \$16.8 million, the net proceeds from which will be used to repay a portion of the outstanding borrowings under the Term Loan Facility. We plan to continue operations at the Properties uninterrupted by entering into a 20 year lease upon the closing of the sale.

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

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

Under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2023, to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure.

Management’s Report on Internal Control Over Financial Reporting

The management of NN, Inc. is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). 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.

Management, under the supervision and with the participation of the Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2023, based on the criteria described in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). Based on this assessment, management has determined that the Company’s internal control over financial reporting was effective as of December 31, 2023.

Grant Thornton LLP, the independent registered public accounting firm that has audited our consolidated financial statements, has audited the effectiveness of the Company’s internal control over financial reporting as of December 31, 2023, as stated in their report included in Item 8 of this Annual Report.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in the Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during the quarter ended December 31, 2023, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Adoption or Termination of Trading Arrangements

During the quarter ended December 31, 2023, none of the Company’s directors or executive officers adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement, as defined in Item 408 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

The information required by this Item 10 of Form 10-K concerning our directors is contained in our definitive proxy statement to be filed with the Securities and Exchange Commission within 120 days after December 31, 2023 (“our definitive proxy statement”), and in accordance with General Instruction G to Form 10-K, is hereby incorporated herein by reference.

Our Code of Conduct/Ethics Statement, as amended (the “Code”), is applicable to all officers, directors, and employees. The Code is posted on our website at www.nninc.com. Information contained on our website is not part of this Annual Report. We will satisfy any disclosure requirements under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, any provision of the Code with respect to our principal executive officer, principal financial officer, principal accounting officer, and persons performing similar functions by disclosing the nature of such amendment or waiver on our website or in a Current Report on Form 8-K.

Item 11. Executive Compensation

The information required by Item 11 of Form 10-K is contained in the sections entitled “Information about the Directors and the Director Nominees – Compensation of Directors” and “Executive Compensation” of our definitive proxy statement and, in accordance with General Instruction G to Form 10-K, is hereby incorporated herein by reference.

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

The information required by Item 12 of Form 10-K is contained in the section entitled “Beneficial Ownership of Common Stock” of our definitive proxy statement and, in accordance with General Instruction G to Form 10-K, is hereby incorporated herein by reference.

Information required by Item 201(d) of Regulation S-K concerning our equity compensation plans is set forth in the table below.

Table of Equity Compensation Plan Information
(in thousands, except per share data)

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants, and rights (a)	Weighted-average exercise price of outstanding options, warrants, and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	296	\$ 14.46	1,492
Equity compensation plans not approved by security holders	—	—	—
Total	296	\$ 14.46	1,492

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

The information required by this Item 13 of Form 10-K regarding review, approval, or ratification of transactions with related persons is contained in the section entitled “Certain Relationships and Related Transactions” of our definitive proxy statement and, in accordance with General Instruction G to Form 10-K, is hereby incorporated herein by reference.

The information required by this Item 13 of Form 10-K regarding director independence is contained in the section entitled “Information about the Directors and the Director Nominees” of our definitive proxy statement and, in accordance with General Instruction G to Form 10-K, is hereby incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information required by this Item 14 of Form 10-K concerning our accounting fees and services is contained in the section entitled “Fees Paid to Registered Independent Public Accounting Firm” of our definitive proxy statement and, in accordance with General Instruction G to Form 10-K, is hereby incorporated herein by reference.

PART IV

Item 15. Exhibit and Financial Statement Schedules

(a) Documents Filed as Part of this Report

1. Financial Statements

The consolidated financial statements of NN, Inc. filed as part of this Annual Report on Form 10-K begin on the following pages hereof:

	Page
Reports of Independent Registered Public Accounting Firm	31
Consolidated Statements of Operations and Comprehensive Income (Loss)	33
Consolidated Balance Sheets	34
Consolidated Statements of Cash Flows	35
Consolidated Statements of Changes in Stockholders' Equity	37
Notes to Consolidated Financial Statements	38

2. Financial Statement Schedules

The required information is reflected in the Notes to Consolidated Financial Statements within Item 8.

3. Exhibits

NN, Inc. will provide without charge to any person, upon the written request of such person, a copy of any of the following Exhibits to this Form 10-K.

Exhibit Number	Description of Exhibit	Incorporation by Reference			
		Form	SEC File No.	Exhibit	Filing Date
2.1	Agreement and Plan of Merger, dated as of July 18, 2014, by and among NN, Inc., PMC Global Acquisition Corporation, Autocam Corporation, Newport Global Advisors, L.P., and John C. Kennedy	8-K	000-23486	2.1	July 22, 2014
3.1	Restated Certificate of Incorporation of NN, Inc.	S-3	333-89950	3.1	June 6, 2002
3.2	Certificate of Amendment to Restated Certificate of Incorporation of NN, Inc. (Declassification)	8-K	000-23486	3.1	May 20, 2019
3.3	Certificate of Amendment to Restated Certificate of Incorporation of NN, Inc. (Share Increase)	8-K	000-23486	3.2	May 20, 2019
3.4	Amended and Restated By-Laws of NN, Inc.	8-K	001-39268	3.1	January 20, 2023
3.5	Certificate of Designation of Series D Preferred Stock	8-K	000-39268	3.1	March 22, 2021
4.1	The specimen stock certificate representing NN, Inc.'s Common Stock, par value \$0.01 per share	S-3	333-89950	4.1	June 6, 2002
4.2	Stockholders' Agreement, effective as of August 29, 2014, by and between NN, Inc. and John C. Kennedy	8-K	000-23486	4.1	September 2, 2014
4.3	Form of Common Stock Purchase Warrant	8-K	000-23486	4.1	December 11, 2019
4.4	Rights Agreement, dated as of April 15, 2020, between NN, Inc. and Computershare Inc., as Rights Agent	8-K	000-23486	4.1	April 16, 2020
4.5	Description of Securities	10-K	000-39268	4.5	March 15, 2021
4.6	Common Stock Warrant	8-K	000-39268	4.1	March 22, 2021
4.7	Common Stock Purchase Warrant	8-K	001-39268	4.1	March 7, 2023
10.1*	Form of Indemnification Agreement	S-3/A	333-89950	10.6	July 15, 2002
10.2	Escrow Agreement, effective as of August 29, 2014, by and among NN, Inc., Newport Global Advisors, L.P., John C. Kennedy and Computershare Trust Company, N.A.	8-K	000-23486	10.3	September 2, 2014

Exhibit Number	Description of Exhibit	Incorporation by Reference			
		Form	SEC File No.	Exhibit	Filing Date
10.3	Indemnity Agreement, effective as of August 29, 2014, by and among NN, Inc. and each of the shareholders of Autocam Corporation identified therein	8-K	000-23486	10.4	September 2, 2014
10.4*	NN, Inc. 2019 Omnibus Incentive Plan.	DEF14A	000-23486	Appendix C	April 8, 2019
10.5	Separation Agreement, dated as of April 1, 2017, by and between NN, Inc. and D. Gail Nixon.	10-Q	000-23486	10.1	May 10, 2019
10.6	Amendment No. 7 to Amended and Restated Credit Agreement, dated June 11, 2019, by and among NN, Inc., certain NN, Inc. subsidiaries named therein, SunTrust Bank, as administrative agent and certain lenders named therein	8-K	000-23486	10.1	June 12, 2019
10.7*	Form of Incentive Stock Option Agreement under the 2019 Omnibus Incentive Plan.	10-Q	000-23486	10.4	August 9, 2019
10.8*	Form of Nonqualified Stock Option Agreement under the 2019 Omnibus Incentive Plan.	10-Q	000-23486	10.5	August 9, 2019
10.9*	Form of Restricted Share Award Agreement under the 2019 Omnibus Incentive Plan.	10-Q	000-23486	10.6	August 9, 2019
10.10*	Form of Performance Share Unit Award Agreement under the 2019 Omnibus Incentive Plan.	10-Q	000-23486	10.7	August 9, 2019
10.11	Securities Purchase Agreement, dated March 22, 2021, by and between NN, Inc. and the NGTV Nevada Holdings LP	8-K	001-39268	10.1	March 22, 2021
10.12	Board Observer Agreement, dated March 22, 2021, by and between NN, Inc. and the NHTV Nevada Holdings LP	8-K	001-39268	10.2	March 22, 2021
10.13	Term Loan Credit Agreement, dated March 22, 2021, by and among NN, Inc., as borrower, and Oaktree Fund Administration, LLC, as administrative agent	8-K	001-39268	10.3	March 22, 2021
10.14	Credit Agreement, dated March 22, 2021, by and among NN, Inc., as borrower, and JPMorgan Chase Bank, N.A., as administrative agent	8-K	001-39268	10.4	March 22, 2021
10.15*	Separation Agreement by and between NN, Inc. and Michael C. Felcher	8-K	001-39268	10.2	June 15, 2021
10.16	Amendment No. 1 to Term Loan Credit Agreement, dated as of March 3, 2022, by and among NN, Inc., certain subsidiaries of NN, Inc., the lenders party thereto, and Oaktree Fund Administration, LLC, as administrative agent.	8-K	001-39268	10.1	March 4, 2022
10.17*	2022 Omnibus Incentive Plan	DEF14A	001-39268	Appendix A	April 15, 2022
10.18	Amendment No. 2 to Term Loan Credit Agreement, dated as of March 3, 2023, by and among NN, Inc., certain subsidiaries of NN, Inc., the lenders party thereto and Oaktree Fund Administration, LLC, as administrative agent	8-K	001-39268	10.1	March 7, 2023
10.19	Amendment No. 1 to Credit Agreement, dated as of March 3, 2023, by and among NN, Inc., certain subsidiaries of NN, Inc., the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent	8-K	001-39268	10.2	March 7, 2023
10.20	Warrant Letter Agreement, dated as of March 3, 2023, by and between NN, Inc. and the affiliates of Oaktree Capital Management, L.P. party thereto	8-K	001-39268	10.3	March 7, 2023

Exhibit Number	Description of Exhibit	Incorporation by Reference			
		Form	SEC File No.	Exhibit	Filing Date
10.21	Separation Agreement and General Release, dated as of April 28, 2023, by and between NN, Inc. and Matthew S. Heiter.	8-K	001-39268	10.1	April 28, 2023
10.22	Letter of Understanding, dated May 8, 2023, by and between NN, Inc. and Harold Bevis.	8-K	001-39268	10.1	May 9, 2023
10.23	Form of Restricted Share Award Agreement, by and between NN, Inc. and Harold Bevis.	8-K	001-39268	10.2	May 9, 2023
10.24	Form of Performance Share Unit Award Agreement, by and between NN, Inc. and Harold Bevis.	8-K	001-39268	10.3	May 9, 2023
10.25	Form of Separation Agreement, by and between NN, Inc. and Harold Bevis.	8-K	001-39268	10.4	May 9, 2023
10.26	Executive Employment Agreement, effective as of August 10, 2023, by and between NN Canada, Inc. and Tim French.	8-K	001-39268	10.1	August 8, 2023
10.27	Form of Restricted Share Award Agreement, by and between NN, Inc. and Tim French.	8-K	001-39268	10.2	August 8, 2023
10.28	Form of Performance Share Unit Award Agreement, by and between NN, Inc. and Tim French.	8-K	001-39268	10.3	August 8, 2023
10.29	Form of Separation Agreement, by and between NN Canada, Inc. and Tim French.	8-K	001-39268	10.4	August 8, 2023
10.30	Form of Indemnification Agreement, by and between NN Canada, Inc. and Tim French.	8-K	001-39268	10.5	August 8, 2023
10.31*#	Form of Restricted Share Award Agreement under the 2022 Omnibus Incentive Plan.				
10.32*#	Form of Performance Share Unit Award Agreement under the 2022 Omnibus Incentive Plan.				
21.1#	List of Subsidiaries of NN, Inc.				
23.1#	Consent of Grant Thornton LLP, Independent Registered Public Accounting Firm				
31.1#	Certification of Chief Executive Officer pursuant to Section 302 of Sarbanes-Oxley Act				
31.2#	Certification of Chief Financial Officer pursuant to Section 302 of Sarbanes-Oxley Act				
32.1##	Certification of Chief Executive Officer pursuant to Section 906 of Sarbanes-Oxley Act				
32.2##	Certification of Chief Financial Officer pursuant to Section 906 of Sarbanes-Oxley Act				
97.1#	Amended and Restated Incentive Compensation Recoupment Policy				
101.INS#	XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)				
101.SCH#	XBRL Taxonomy Extension Schema Document				
101.CAL#	XBRL Taxonomy Extension Calculation Linkbase Document				
101.LAB#	XBRL Taxonomy Extension Label Linkbase Document				
101.PRE#	XBRL Taxonomy Extension Presentation Linkbase Document				

Exhibit Number	Description of Exhibit	Incorporation by Reference			
		Form	SEC File No.	Exhibit	Filing Date
101.DEF# 104#	XBRL Taxonomy Extension Definition Linkbase Document Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				

* Management contract or compensatory plan or arrangement.

Filed herewith

This certification is being furnished solely to accompany this Annual Report pursuant to 18 U.S.C. Section 1350 and is not being filed for purposes of Section 18 of the Exchange Act and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filings.

Item 16. Form 10-K Summary

None.

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.

NN, Inc.

By: /s/ Harold C. Bevis
Harold C. Bevis
President, Chief Executive Officer and Director

Date: March 12, 2024

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.

<u>Name and Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Harold C. Bevis</u> Harold C. Bevis	President, Chief Executive Officer and Director (Principal Executive Officer)	March 12, 2024
<u>/s/ Michael C. Felcher</u> Michael C. Felcher	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	March 12, 2024
<u>/s/ Jeri J. Harman</u> Jeri J. Harman	Non-Executive Chairman, Director	March 12, 2024
<u>/s/ Raynard D. Benvenuti</u> Raynard D. Benvenuti	Director	March 12, 2024
<u>/s/ Christina E. Carroll</u> Christina E. Carroll	Director	March 12, 2024
<u>/s/ João Faria</u> João Faria	Director	March 12, 2024
<u>/s/ Rajeev Gautam, Ph.D.</u> Rajeev Gautam, Ph.D.	Director	March 12, 2024
<u>/s/ Thomas H. Wilson, Jr.</u> Thomas H. Wilson, Jr.	Director	March 12, 2024

**NN, INC.
2022 OMNIBUS INCENTIVE PLAN
RESTRICTED SHARES GRANT NOTICE**

NN, Inc., a Delaware corporation, (the “Company”), pursuant to its 2022 Omnibus Incentive Plan, as amended from time to time (the “Plan”), hereby grants to the holder listed below (“Grantee”), the right to receive a number of Restricted Shares as set forth below (the “Restricted Share Award”). The Restricted Shares are subject to the terms and conditions set forth in this Restricted Shares Grant Notice (the “Grant Notice”) and the Restricted Share Award Agreement attached hereto as Exhibit A (the “Agreement”) and the Plan, which are incorporated herein by reference. Unless otherwise defined, the terms defined in the Plan shall have the same defined meanings in the Grant Notice and the Agreement.

Grantee: _____

Grant Date: _____

Total Number of Restricted Shares: _____ shares

Vesting Schedule:	<u>Vesting Date</u>	Percentage of Restricted Shares Which Become <u>Vested</u>
	_____	_____
	_____	_____
	_____	_____

By his or her signature and the Company’s signature below, Grantee agrees to be bound by the terms and conditions of the Plan, the Agreement and the Grant Notice. Grantee has reviewed the Agreement, the Plan and the Grant Notice in their entirety. Grantee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan, the Grant Notice or the Agreement.

<p>NN, INC.</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>	<p>GRANTEE</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Address: _____</p> <p>_____</p>
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EXHIBIT A

RESTRICTED SHARE AWARD AGREEMENT

Pursuant to this Restricted Share Award Agreement (this "Agreement") and the Grant Notice to which it is attached, the Company has granted to Grantee the right to receive the number of Restricted Shares set forth in the Grant Notice, subject to the terms and conditions of this Agreement and the Company's 2022 Omnibus Incentive Plan, as amended from time to time (the "Plan").

ARTICLE I GENERAL

1.1 Defined Terms. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice.

1.2 Incorporation of Terms of Plan. This Restricted Share Award is subject to the terms and conditions set forth in this Agreement, the Grant Notice and the Plan, which are incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control.

ARTICLE II GRANT OF RESTRICTED SHARES

2.1 Grant. In consideration of Grantee's past and/or continued employment with or service to the Company or a Subsidiary and for other good and valuable consideration, effective as of the grant date set forth in the Grant Notice (the "Grant Date"), the Company has granted to Grantee the Restricted Share Award. The Restricted Shares granted pursuant to this Award shall be issued in the form of a book entry of Shares in Grantee's name as soon as reasonably practicable after the Grant Date and shall be subject to Grantee's acknowledgement and acceptance of the Grant Notice and this Agreement.

2.2 Lapse of Restrictions. Subject to Sections 3.2 and 3.3 hereof, the restrictions associated with the Restricted Shares granted pursuant to the Grant Notice shall lapse at such times (each, a "Vesting Date") as set forth on the Vesting Schedule contained in the Grant Notice. Certificates representing the Restricted Shares that have vested under pursuant to this Section 2.2 will be distributed to the Grantee as soon as practicable after each Vesting Date, or an appropriate book entry notation shall be made.

2.3 Voting Rights and Dividends. During the period prior to vesting, except as otherwise provided herein, Grantee will have all of the rights of a shareholder with respect to all of the Restricted Shares, including without limitation the right to vote such Restricted Shares and the right to receive all dividends or other distributions with respect to such Restricted Shares. Prior to the distribution of unrestricted Shares pursuant to Section 2.2 hereof, certificates representing Restricted Shares issued pursuant to this Agreement will be held (or appropriate book entry notation will be made) by the Company (the "Custodian") in the name of the Grantee. The Custodian will take such action as is necessary and appropriate to enable the Grantee to vote the Restricted Shares. All cash dividends received by the Custodian, if any, with respect to the Restricted Shares will be delivered to Grantee as soon as practicable after the Custodian's receipt thereof. Stock dividends issued with respect to the Restricted Shares shall be treated as additional Restricted Shares that are subject to the same restrictions and other terms and conditions that apply to the Restricted Shares granted in the Grant Notice. Notwithstanding the foregoing, no voting rights or dividend rights shall inure to the Grantee following the forfeiture of the Restricted Shares pursuant to Section 3.1 hereof.

ARTICLE III SEPARATION FROM SERVICE; CHANGE IN CONTROL

3.1 In General. In the event that Grantee Separates from Service for any reason, other than death, Retirement or Disability, all Restricted Shares for which the forfeiture restrictions have not lapsed pursuant to Section 2.2 prior to the Grantee's Separation from Service shall be immediately forfeited and Grantee shall have no further rights with respect to such Restricted Shares, except as may be determined otherwise by the Committee in its sole and absolute discretion.

3.2 Death, Retirement or Disability. In the event that the Grantee's employment terminates by reason of death, Retirement or Disability, all Restricted Shares shall be deemed vested and, the restrictions under the Plan and this Agreement with respect to the Restricted Shares, including the restriction on transfer set forth in Section

4.1 hereof, shall automatically expire and shall be of no further force or effect. For purposes of this Agreement, "Retirement" means termination of service after the Grantee has reached the age of 60 and has amassed a total of seventy (70) "points," where each full year of age and each completed year of continuous service with the Company is considered one point (partial points are not considered). Further, the Grantee must furnish a minimum of six (6) months' notice of his/her retirement and be employed for at least six (6) months following the grant date to be eligible for this treatment.

3.3 Resignation for Good Reason by the Grantee. In the event that the Grantee's employment terminates by reason of Resignation for Good Reason (as defined in the employment agreement, separation agreement or other similar agreement between the Company and the Grantee or, if there is no such agreement or such term is not defined in the relevant agreement, unless otherwise defined in the applicable program document, will have the meaning set forth in the Plan), all Restricted Shares shall be deemed vested and, the restrictions under the Plan and this Agreement with respect to the Restricted Shares, including the restriction on transfer set forth in Section 4.1 hereof, shall automatically expire and shall be of no further force or effect.

3.4 Change in Control. Upon the occurrence of a Change in Control, the Committee shall determine the treatment of the Restricted Shares consistent with the provisions of Section 13 of the Plan.

ARTICLE IV OTHER PROVISIONS

4.1 No Transfer or Pledge of Restricted Shares. No Restricted Shares may be sold, assigned, transferred, pledged, hypothecated or otherwise encumbered or disposed of prior to the date the forfeiture restrictions with respect to such shares have lapsed, if at all, on the Vesting Date applicable to such shares, other than by will or the laws of descent and distribution.

4.2 Tax Withholding. If the Grantee makes an election under Section 83(b) of the Code with respect to any Restricted Shares, the grant of such Restricted Shares shall be further conditioned upon the Grantee making prompt payment to the Company of any applicable withholding obligations or withholding taxes ("Withholding Taxes"). Failure by the Grantee to pay such Withholding Taxes will render the Restricted Shares subject to such election null and void *ab initio* and such Restricted Shares will be immediately cancelled. If the Grantee does not make an election under Section 83(b) of the Code with respect to the Restricted Share Award, the Company's obligation to release the vested Restricted Shares shall be subject to the Grantee's satisfaction of any applicable Withholding Taxes, and the Grantee shall pay the amount of any such Withholding Taxes to the Company as set forth in this Section 4.2. The Grantee may satisfy his or her obligation to pay the Withholding Taxes with respect to any Restricted Shares for which an election under Section 83(b) of the Code has not been made by: (i) making a cash payment to the Company in an amount equal to the Withholding Taxes; (ii) having the Company withhold Shares otherwise deliverable to the Grantee pursuant to settlement of vested Restricted Shares; or (iii) delivering, actually or by attestation, to the Company Shares already owned by the Grantee; provided that in the case of (ii) or (iii) the amount of such Shares withheld or Shares delivered (with the value of such Shares being based on the Fair Market Value of a Share as of the payment date as determined by the Committee) shall be determined consistent with the Plan. The Grantee acknowledges and agrees that the Company has the right to deduct from compensation or other amounts owing to the Grantee an amount not to exceed the Withholding Taxes. Neither the Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding or vesting of the Restricted Shares or the subsequent sale of Shares. The Company and the Subsidiaries do not commit and are under no obligation to structure this Restricted Share Award to reduce or eliminate Grantee's tax liability.

4.3 Stock Subject to Award. In the event that the Company Shares should, as a result of a stock split or stock dividend or combination of shares or any other change, redesignation, merger, consolidation, recapitalization or otherwise, be increased or decreased or changed into or exchanged for a different number or kind of shares of stock or other securities of the Company or of another corporation, or in the event of any other event contemplated by Section 4.2 of the Plan, the number of Restricted Shares that have been awarded to Grantee shall be adjusted in an equitable and proportionate manner to reflect such action. If any such adjustment shall result in a fractional share, such fraction shall be disregarded.

4.4 Stock Power. Concurrently with the execution of this Agreement, the Grantee shall deliver to the Company a stock power, endorsed in blank, relating to the Restricted Shares. Such stock power shall be in the form attached hereto as Exhibit A.

4.5 Legend. Each certificate representing Restricted Shares shall bear a legend in substantially the following form:

THIS CERTIFICATE AND THE SHARES OF STOCK REPRESENTED HEREBY ARE SUBJECT TO THE TERMS AND CONDITIONS (INCLUDING FORFEITURE AND RESTRICTIONS AGAINST TRANSFER) CONTAINED IN THE NN, INC. 2022 OMNIBUS INCENTIVE PLAN (THE "PLAN") AND THE RESTRICTED SHARE AGREEMENT (THE "AGREEMENT") BETWEEN THE OWNER OF THE RESTRICTED SHARES REPRESENTED HEREBY AND NN, INC. (THE "COMPANY"). THE RELEASE OF SUCH STOCK FROM SUCH TERMS AND CONDITIONS SHALL BE MADE ONLY IN ACCORDANCE WITH THE PROVISIONS OF THE PLAN AND THE AGREEMENT, COPIES OF WHICH ARE ON FILE AT THE COMPANY.

4.6 No Right to Continued Employment. This Agreement shall not be construed as giving the Grantee the right to be retained in the employ of the Company (or any Subsidiary of the Company), and the Company (or any Subsidiary of the Company) may at any time dismiss the Grantee from employment, free from any liability or any claim under the Plan.

4.7 Governing Provisions. This Agreement is made under and subject to the provisions of the Plan, and all of the provisions of the Plan are also provisions of this Agreement. If there is a difference or conflict between the provisions of this Agreement and the provisions of the Plan, the provisions of the Plan will govern. By signing this Agreement, the Grantee confirms that he or she has received a copy of the Plan.

4.8 Entire Agreement. This Agreement and the Plan contain the entire understanding and agreement between the Company and the Grantee concerning the Restricted Shares granted hereby, and supersede any prior or contemporaneous negotiations and understandings. The Company and the Grantee have made no promises, agreements, conditions or understandings relating to the Restricted Shares, either orally or in writing, that are not included in this Agreement or the Plan.

4.9 Captions. The captions and section numbers appearing in this Agreement are inserted only as a matter of convenience. They do not define, limit, construe or describe the scope or intent of the provisions of this Agreement.

4.10 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to applicable law, each of which shall be deemed an original and all of which together shall constitute one instrument.

4.11 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal office, and any notice to be given to Grantee shall be addressed to Grantee at Grantee's last address reflected on the Company's records. By a notice given pursuant to this Section 4.11, either party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

4.12 Amendment. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Committee or the Board, provided that, except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this Agreement shall adversely affect this Restricted Share Award in any material way without the prior written consent of Grantee.

4.13 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in Section 4.1 hereof and the Plan, this Agreement shall be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

4.14 Governing Law. The laws of the State of Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

4.15 Conformity to Securities Laws. Grantee acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all applicable laws, including, without limitation, the provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated thereunder by the SEC and state securities laws and regulations. Notwithstanding anything herein to the contrary,

the Plan shall be administered, and the Restricted Shares are granted only in such a manner as to conform to applicable law. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to applicable law.

4.16 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

4.17 Clawback. Any Shares issued pursuant to this Award shall be subject to mandatory repayment by the Grantee to the Company to the extent that such Grantee is, or in the future becomes, subject to (a) any “clawback” or recoupment policy adopted by the Company or any Subsidiary thereof to comply with the requirements of any applicable laws, rules or regulations, including pursuant to final rules adopted by the SEC pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, or otherwise, or (b) any applicable laws which impose mandatory recoupment, under circumstances set forth in such applicable laws, including the Sarbanes-Oxley Act of 2002.

[remainder of this page intentionally left blank]

EXHIBIT A

IRREVOCABLE STOCK POWER

FOR VALUE RECEIVED, the undersigned does hereby sell, assign and transfer to NN, Inc. (the "Company"), _____ shares of the Company's common stock represented by Certificate No. _____. The undersigned authorizes the Secretary of the Company to transfer the stock on the books of the Company in the event of the forfeiture or repayment of any shares issued under the Restricted Share Award Agreement dated _____, 20__ between the Company and the undersigned.

Dated: _____, _____

Signed:

By: _____
Name:

**NN, INC.
2022 OMNIBUS INCENTIVE PLAN
PERFORMANCE SHARE UNIT GRANT NOTICE**

NN, Inc., a Delaware corporation, (the “Company”), pursuant to its 2022 Omnibus Incentive Plan, as amended from time to time (the “Plan”), hereby grants to the holder listed below (“Grantee”), the right to receive a number of performance share units (the “Performance Share Units”) as set forth below (the “Performance Share Unit Award”). The Performance Share Units are subject to the terms and conditions set forth in this Performance Share Unit Grant Notice (the “Grant Notice”), the Performance Share Unit Award Agreement attached hereto as Exhibit A (the “Agreement”) and the Plan, which are incorporated herein by reference. Unless otherwise defined, the terms defined in the Plan shall have the same defined meanings in the Grant Notice and the Agreement.

Grantee: _____

Grant Date: _____

Target Number of Performance Share Units: _____ Performance Share Units

Performance Period: January 1, 2023 through December 31, 2025

Determination Date: The date on which the Committee determines whether the performance goals to which this Performance Share Unit Award relates have been met.

By his or her signature and the Company’s signature below, Grantee agrees to be bound by the terms and conditions of the Plan, the Agreement and the Grant Notice. Grantee has reviewed the Agreement, the Plan and the Grant Notice in their entirety. Grantee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan, the Grant Notice or the Agreement.

<p>NN, INC.</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>	<p>GRANTEE</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Address: _____</p> <p>_____</p>
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EXHIBIT A

PERFORMANCE SHARE UNIT AWARD AGREEMENT

Pursuant to this Performance Share Unit Award Agreement (this “Agreement”) and the Grant Notice to which it is attached, the Company has granted to Grantee the right to receive the number of Performance Share Units set forth in the Grant Notice, subject to the terms and conditions of this Agreement and the Company’s 2022 Omnibus Incentive Plan, as amended from time to time (the “Plan”).

ARTICLE I GENERAL

1.1 Defined Terms. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice.

1.2 Incorporation of Terms of Plan. The Performance Share Unit Award is subject to the terms and conditions set forth in this Agreement, the Grant Notice and the Plan, which are incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control. Each Performance Share Unit shall be administered as a Performance Award in the form of a Restricted Share Unit pursuant to Section 8.1 of the Plan.

ARTICLE II GRANT OF PERFORMANCE SHARE UNITS

2.1 Grant. In consideration of Grantee’s past and/or continued employment with or service to the Company or a Subsidiary and for other good and valuable consideration, effective as of the grant date set forth in the Grant Notice (the “Grant Date”), the Company has granted to Grantee the Performance Share Unit Award. Each Performance Share Unit represents the right to receive one Share (or the Fair Market Value thereof) upon the expiration of the performance period set forth in the Grant Notice (the “Performance Period”) and otherwise subject to the terms, conditions and restrictions set forth in the Plan and this Agreement. The Grantee’s interest in the Performance Share Units granted hereby shall be that of a general, unsecured creditor of the Company.

2.2 Lapse of Restrictions. Subject to Sections 3.2, 3.3 and 3.4 hereof, the restrictions associated with the Performance Share Units granted pursuant to the Grant Notice shall lapse on the Determination Date as set forth in the Grant Notice (the “Vesting Date” as it pertains to Performance Share Units that vest) but only if (a) and to the extent the Company has achieved the performance targets for the Performance Period as set forth on Exhibit A-1 hereto (and the other terms and conditions set forth therein have been met) as determined by the Committee in accordance with the Plan, and (b) the Grantee has remained in service with the Company or any of its Subsidiaries continuously from the Grant Date until the Determination Date. In the event the performance targets shall not have been met as of the Determination Date with respect to some or all of the Performance Share Units, such Performance Share Units shall be cancelled for no further consideration as of the Determination Date.

2.3 Settlement. The Grantee shall be entitled to settlement of the Performance Share Units covered by this Agreement on the Vesting Date to the extent the Performance Share Units have not previously been forfeited and the restrictions associated with the Performance Share Units lapse in accordance with Section 2.2 hereof. Such settlement shall be made as promptly as practicable thereafter (but in no event after the sixtieth day following the Vesting Date) through, in the sole discretion of the Committee, either (a) the issuance to the Grantee (or to the executors or administrators of Grantee’s estate in the event of the Grantee’s death) of a stock certificate (or evidence such Shares have been registered in book entry form in the name of the Grantee with the relevant stock agent) for a number of Shares equal to the number of such vested Performance Share Units, or (b) a payment of cash to the Grantee (or to the executors or administrators of Grantee’s estate in the event of the Grantee’s death) equal to the Fair Market Value of the Shares that would otherwise have been issued pursuant to (a) above.

2.4 Dividends. If the Company pays a cash dividend on its common stock, the Grantee shall accrue in his or her Dividend Account (as defined below) a cash dividend equivalent with respect to the maximum number of Performance Share Units issuable pursuant to this Agreement as of the record date for the dividend. The Company shall cause an account (the “Dividend Account”) to be established and maintained as part of the records of the Company to evidence the aggregate cash dividend equivalents accrued by the Grantee from time to time under this Section 2.4. No interest shall accrue on any amounts reflected in the Dividend Account. The Grantee’s interest in the amounts reflected in the Dividend Account shall be that of a general, unsecured creditor of the

Company. Subject to, and as promptly as practicable following, the settlement of the Performance Share Units pursuant to Section 2.3 hereunder, the Company shall pay an amount in cash (without interest and subject to applicable withholding taxes) to the Grantee (or his or her permitted transferee(s) who are issued Shares or cash pursuant to Section 2.3 hereunder) equal to the aggregate cash dividend equivalents accrued in the Grantee's Dividend Account with respect to the vested Performance Share Units settled with the Grantee and the Grantee's Dividend Account shall be eliminated at that time. In the event that the Grantee forfeits his or her rights to all or any portion of the Performance Share Units (or such Performance Share Units are otherwise cancelled on account of the Company's actual performance), the Grantee also shall forfeit his or her rights to any cash dividend equivalents accrued in the Grantee's Dividend Account with respect to such forfeited or cancelled units and the Grantee's Dividend Account shall be eliminated at that time. For the avoidance of doubt, no dividend equivalent rights shall accrue under this Section 2.4 with respect to a dividend on the Company's Shares in the event that any applicable adjustments pursuant to Section 4.2 of the Plan provide similar benefits.

ARTICLE III SEPARATION FROM SERVICE; CHANGE IN CONTROL

3.1 In General. In the event that Grantee Separates from Service for any reason, other than death, Disability or Retirement, prior to the settlement of this Performance Share Unit Award pursuant to Section 2.3, all Performance Share Units shall be immediately forfeited and Grantee shall have no further rights with respect to such Performance Share Units, except as may be determined otherwise by the Committee in its the sole and absolute discretion.

3.2 Death or Disability. In the event that Grantee Separates from Service by reason of death or Disability, a proportionate number of Performance Share Units shall be deemed vested and the date of the Grantee's death or Disability shall be the Vesting Date with respect to such Performance Share Units which shall thereupon settle in accordance with Section 2.3 hereof. For purposes of this Section 3.2, the "proportionate number" of Performance Share Units shall be the "target" number of Performance Share Units set forth in the Grant Notice, multiplied by a fraction, the numerator of which is the number of days during the Performance Period during which Grantee was employed by the Company (or any Subsidiary) and the denominator of which is the total number of days in the Performance Period.

3.3 Retirement. In the event Grantee Separates from Service on account of Retirement (defined below) prior to settlement of Performance Share Units, Grantee shall be eligible to vest in a proportionate number of Performance Share Units on the Vesting Date otherwise applicable thereto. For purposes of this Section 3.3, the "proportionate number" of Performance Share Units shall be the actual number of Performance Share Units that would have vested in accordance with Section 2.2 hereof had Grantee not Separated from Service during the Performance Period, multiplied by a fraction, the numerator of which is the number of days during the Performance Period during which Grantee was employed by the Company (or any Subsidiary) and the denominator of which is the total number of days in the Performance Period. Following the Vesting Date, any Performance Share Units that did not vest in accordance with this Section 3.3 will be canceled and forfeited. For purposes of this Agreement, "Retirement" means termination of service after the Participant has reached the age of 60 and has amassed a total of seventy (70) "points," where each full year of age and each completed year of continuous service with the Company is considered one point (partial points are not considered). Further, the Participant must furnish a minimum of six (6) months' notice of his/her retirement and be employed for at least six (6) months following the grant date to be eligible for this treatment.

3.4 Resignation for Good Reason by the Grantee. In the event that the Grantee's employment terminates by reason of Resignation for Good Reason (as defined in the employment agreement, separation agreement or other similar agreement between the Company and the Grantee or, if there is no such agreement or such term is not defined in the relevant agreement, unless otherwise defined in the applicable program document, will have the meaning set forth in the Plan), a proportionate number of Performance Share Units shall be deemed vested and the date of the Grantee's Resignation for Good Reason shall be the Vesting Date with respect to such Performance Share Units which shall thereupon settle in accordance with Section 2.3 hereof. For purposes of this Section 3.4, the "proportionate number" of Performance Share Units shall be the "target" number of Performance Share Units set forth in the Grant Notice, multiplied by a fraction, the numerator of which is the number of days during the Performance Period during which Grantee was employed by the Company (or any Subsidiary) and the denominator of which is the total number of days in the Performance Period.

3.5 Change in Control. Upon the occurrence of a Change in Control, the Committee shall determine the treatment of the Performance Share Units consistent with the provisions of Section 13 of the Plan.

ARTICLE IV OTHER PROVISIONS

4.1 No Transfer or Pledge of Performance Share Units. The Performance Share Units may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Grantee other than by will or the laws of descent and distribution. Any sale, assignment, transfer, pledge, hypothecation, loan or other disposition other than in accordance with this Section 4.1 shall be null and void.

4.2 Tax Withholding. The Company's obligation to settle vested Performance Share Units shall be subject to the Grantee's satisfaction of any applicable federal, state, local and foreign withholding obligations or withholding taxes, including any employer minimum statutory withholding ("Withholding Taxes"), and the Grantee shall pay the amount of any such Withholding Taxes to the Company as set forth in this Section 4.2. The Grantee may satisfy his or her obligation to pay the Withholding Taxes by: (i) making a cash payment to the Company in an amount equal to the Withholding Taxes; (ii) having the Company withhold Shares otherwise deliverable to the Grantee pursuant to settlement of vested Performance Share Units; or (iii) delivering, actually or by attestation, to the Company Shares already owned by the Grantee; provided that in the case of (ii) or (iii) the amount of such Shares withheld or Shares delivered (with the value of such Shares being based on the Fair Market Value of a Share as of the payment date as determined by the Committee) shall be determined consistent with the Plan. The Grantee acknowledges and agrees that the Company has the right to deduct from compensation or other amounts owing to the Grantee an amount not to exceed the Withholding Taxes. Neither the Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding or vesting of the Performance Share Units or the subsequent sale of Shares. The Company and the Subsidiaries do not commit and are under no obligation to structure this Performance Share Unit Award to reduce or eliminate Grantee's tax liability.

4.3 Stock Subject to Award. In the event that the Company Shares should, as a result of a stock split or stock dividend or combination of shares or any other change, redesignation, merger, consolidation, recapitalization or otherwise, be increased or decreased or changed into or exchanged for a different number or kind of shares of stock or other securities of the Company or of another corporation, or in the event of any other event contemplated by Section 4.2 of the Plan, the number of Performance Share Units that have been awarded to Grantee shall be adjusted in an equitable and proportionate manner to reflect such action. If any such adjustment shall result in a fractional share, such fraction shall be disregarded.

4.4 Section 409A. Notwithstanding anything herein to the contrary, to the maximum extent permitted by applicable law, the settlement of the Performance Share Units (including any dividend equivalent rights related thereto) to be made to the Grantee pursuant to this Agreement is intended to qualify as a "short-term deferral" pursuant to Section 1.409A-1(b)(4) of the Treasury Regulations and this Agreement shall be interpreted consistently therewith. However, under certain circumstances, settlement of the Performance Share Units or any dividend equivalent rights may not so qualify, and in that case, the Committee shall administer the grant and settlement of such Performance Share Units and any dividend equivalent rights in strict compliance with Section 409A of the Code. Further, notwithstanding anything herein to the contrary, if at the time of a Grantee's termination of employment with the Company and its Subsidiaries, the Grantee is a "specified employee" as defined in Section 409A of the Code, and the deferral of the commencement of any payments or benefits otherwise payable hereunder as a result of such termination of service is necessary in order to prevent the imposition of any accelerated or additional tax under Section 409A of the Code, then the Company will defer the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided to the Grantee) to the minimum extent necessary to satisfy Section 409A of the Code until the date that is six months and one day following the Grantee's termination of employment with the Company (or the earliest date as is permitted under Section 409A of the Code), if such payment or benefit is payable upon a termination of employment. Each payment of Performance Units (and related dividend equivalent units) constitutes a "separate payment" for purposes of Section 409A of the Code. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on the Grantee by Code Section 409A or damages for failing to comply with Code Section 409A.

4.5 No Right to Continued Employment. This Agreement shall not be construed as giving the Grantee the right to be retained in the employ of the Company (or any Subsidiary of the Company), and the Company (or any Subsidiary of the Company) may at any time dismiss the Grantee from employment, free from any liability or any claim under the Plan.

4.6 Governing Provisions. This Agreement is made under and subject to the provisions of the Plan, and all of the provisions of the Plan are also provisions of this Agreement. If there is a difference or conflict

between the provisions of this Agreement and the provisions of the Plan, the provisions of the Plan will govern. By signing this Agreement, the Grantee confirms that he or she has received a copy of the Plan.

4.7 Entire Agreement. This Agreement and the Plan contain the entire understanding and agreement between the Company and the Grantee concerning the Performance Share Units granted hereby, and supersede any prior or contemporaneous negotiations and understandings. The Company and the Grantee have made no promises, agreements, conditions or understandings relating to the Performance Share Units, either orally or in writing, that are not included in this Agreement or the Plan.

4.8 Captions. The captions and section numbers appearing in this Agreement are inserted only as a matter of convenience. They do not define, limit, construe or describe the scope or intent of the provisions of this Agreement.

4.9 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to applicable law, each of which shall be deemed an original and all of which together shall constitute one instrument.

4.10 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal office, and any notice to be given to Grantee shall be addressed to Grantee at Grantee's last address reflected on the Company's records. By a notice given pursuant to this Section 4.10, either party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

4.11 Amendment. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Committee or the Board, provided that, except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this Agreement shall adversely affect this Performance Share Unit Award in any material way without the prior written consent of Grantee.

4.12 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in Section 4.1 hereof and the Plan, this Agreement shall be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

4.13 Governing Law. The laws of the State of Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

4.14 Conformity to Securities Laws. Grantee acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all applicable laws, including, without limitation, the provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated thereunder by the SEC and state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Performance Share Units are granted only in such a manner as to conform to applicable law. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to applicable law.

4.15 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

4.16 Clawback. Any Shares or cash issued pursuant to this Award shall be subject to mandatory repayment by the Grantee to the Company to the extent that such Grantee is, or in the future becomes, subject to (a) any "clawback" or recoupment policy adopted by the Company or any Subsidiary thereof to comply with the requirements of any applicable laws, rules or regulations, including pursuant to final rules adopted by the SEC pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, or otherwise, or (b) any applicable laws which impose mandatory recoupment, under circumstances set forth in such applicable laws, including the Sarbanes-Oxley Act of 2002.

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EXHIBIT A-1

Performance Goals

Relative TSR:

	Threshold	Target	Maximum
Award Level	25% of Target Shares	100% of Target Shares	150% of Target Shares
Performance Level	25th Percentile	55th Percentile	75th Percentile

Relative TSR shall be calculated using the Custom “MicroCap” Capital Goods Index (“Index”), which includes S&P 600 companies with market capitalizations of less than \$2B, and further includes the compensation peer companies not otherwise included in the Index.

TSR shall be measured at the end of each year of the three-year Performance Period, and the three measurement periods will be averaged to calculate overall achievement. Each measurement period begins at the start of the Performance Period and will end at the end of each of the three years; as such, the first measurement period will cover the first calendar year in the Performance Period, the second measurement period will cover the first two calendar years in the Performance Period, and the third measurement period will include all three years in the Performance Period. Each measurement period is weighted equally in the calculation.

With respect to Performance Share Units measured by Relative TSR, Participants shall earn 25% of the target number of Performance Share Units for “threshold” performance, 100% of the target number of Performance Share Units for “target” performance, and 150% of the target number of Performance Share Units for “maximum” (or higher) performance.

In the event that NN’s absolute total shareholder return (TSR) is negative over the full 3-year performance period, the total payout shall be no greater than 100% of target, regardless of NN’s relative TSR performance and corresponding calculated payout.

Definitions and Calculation:

- **“Relative Total Shareholder Return (Relative TSR)”** shall mean the change in the value, expressed as a percentage of a given dollar amount invested in a company’s most widely publicly traded stock over the Performance Period, taking into account both stock price appreciation (or depreciation) and the reinvestment of dividends (including the cash value of non-cash dividends) in additional stock of the company. The twenty (20) trading-day average closing values of the Company’s Common Stock and the companies in the Index (as defined elsewhere in this document), as applicable (*i.e.*, average closing values of the companies in the Index over the period of 20 trading days ending on the day before the Performance Period begins, and the final 20 trading days ending on the last day of the Performance Period), shall be used to value the Company’s Common Stock and that of the companies in the Index, as applicable, prior to the beginning and at the end of the Performance Period. At the end of the Performance Period, the Company will calculate the total shareholder return for the Company and compare that to the total shareholder return for the companies that comprise the Index as of the last day the Performance Period, in order to determine what performance level with respect to Relative TSR has been met.

Subsidiaries of Registrant

<u>Subsidiaries of NN, Inc.</u>	<u>Jurisdiction of Incorporation or Organization</u>
Advanced Precision Products, Inc.	Delaware
Autocam (China) Automotive Components Co., Ltd.	China
Autocam Corporation	Michigan
Autocam do Brasil Usinagem, Ltda.	Brazil
Autocam Equipment Holdings, LLC	Delaware
Autocam Equipment, LLC	Delaware
Autocam Europe, B.V.	Netherlands
Autocam France, S.A.R.L.	France
Autocam International, Ltd.	Michigan
Autocam Poland Sp. z.o.o.	Poland
Autocam South Carolina, Inc.	Michigan
Autocam-Pax, Inc.	Michigan
Bouverat Industries, S.A.S.	France
Brainin (Foshan) Precision Engineered Products Co. Ltd.	China
Brainin de Mexico, S.A. de C.V.	Mexico
Brainin-Advance Industries LLC	Delaware
Caprock Enclosures, LLC	Texas
Caprock Manufacturing, Inc.	Texas
General Metal Finishing LLC	Delaware
Holmed, LLC	Delaware
HowesTemco, LLC	Delaware
Industrial Molding Corporation	Tennessee
NN Canada, Inc.	Canada
NN Euroball Ireland Ltd.	Ireland
NN Power Solutions, LLC	Delaware
NN Power Solutions Holdings, LLC	Delaware
NN Precision Plastics, Inc.	Delaware
PMC Acquisition Company, Inc.	Delaware
PMC USA Acquisition Company, Inc.	Delaware
PNC Acquisition Company, Inc.	Delaware
Polymetallurgical LLC	Delaware
Precision Metal Components Mexico S. de R.L. de C.V.	Mexico
Premco, Inc.	Massachusetts
Profiles Incorporated	Massachusetts
Southern California Technical Arts, Inc.	California
Triumph LLC	Arizona
Wauconda Tool & Engineering LLC	Delaware
Whirlaway Corporation	Ohio

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our reports dated March 12, 2024, with respect to the consolidated financial statements and internal control over financial reporting included in the Annual Report of NN, Inc. on Form 10-K for the year ended December 31, 2023. We consent to the incorporation by reference of said reports in the Registration Statements of NN, Inc. on Forms S-8 (File Nos. 333-130395, 333-174519, 333-216739, 333-232258, and 333-265893).

/s/ GRANT THORNTON LLP

Charlotte, North Carolina
March 12, 2024

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Harold C. Bevis, certify that:

- 1) I have reviewed this annual report on Form 10-K of NN, Inc.;
- 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 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 the 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 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: March 12, 2024

/s/ Harold C. Bevis

Harold C. Bevis
President, Chief Executive Officer and Director
(Principal Executive Officer)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Michael C. Felcher, certify that:

- 1) I have reviewed this annual report on Form 10-K of NN, Inc.;
- 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 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 the 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 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: March 12, 2024

/s/ Michael C. Felcher

Michael C. Felcher
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT
TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of NN, Inc. (the "Company") on Form 10-K for the annual period ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacity and date indicated below, hereby certifies pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge: (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods indicated.

Date: March 12, 2024

/s/ Harold C. Bevis

Harold C. Bevis
President, Chief Executive Officer and Director
(Principal Executive Officer)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT
TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of NN, Inc. (the "Company") on Form 10-K for the annual period ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacity and date indicated below, hereby certifies pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge: (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods indicated.

Date: March 12, 2024

/s/ Michael C. Felcher

Michael C. Felcher

Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

NN, INC.
Amended and Restated Incentive Compensation Recoupment Policy

1. Purpose. The purpose of this Amended and Restated Incentive Compensation Recoupment Policy of the Company (as amended from time to time, the “Policy”), dated as of November 29, 2023 (the “Adoption Date”) is to describe the circumstances in which current and former Executive Officers will be required to repay or return Erroneously Awarded Compensation to members of the Company Group. The Company has adopted this Policy to comply with Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as codified by Section 10D of the Exchange Act, Exchange Act Rule 10D-1 promulgated thereunder, and the rules and requirements of Nasdaq (including Nasdaq Listing Rule 5608) (such legal requirements, and rules and requirements of Nasdaq, collectively, the “SEC/Nasdaq Clawback Rules”). Each Executive Officer shall be required to sign and return to the Company an acknowledgment to this Policy in the form attached hereto as Exhibit A pursuant to which such Executive Officer will agree to be bound by the terms and comply with this Policy.

2. Administration. This Policy shall be administered by the Committee. The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy, and any such determinations made by the Committee shall be in the Committee’s sole discretion, and shall be final and binding on all affected individuals. Subject to applicable legal requirements and the rules and requirements of Nasdaq, the Committee may delegate any or all of its powers and duties under the Policy to authorized officers of the Company, subject to such limitations on such delegated powers and duties as the Committee may impose, if any. Except as otherwise required by applicable legal requirements or the rules and requirements of the Nasdaq, any determinations of the Committee hereunder need not be uniform with respect to one or more Executive Officers (whether current or former).

3. Definitions. For purposes of this Policy, the following capitalized terms shall have the meanings set forth below:

(a) “Accounting Restatement” shall mean an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement (i) to correct an error in previously issued financial statements that is material to the previously issued financial statements (a “Big R” restatement), or (ii) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a “little r” restatement).

(b) “Board” shall mean the Board of Directors of the Company.

(c) “Clawback Eligible Incentive Compensation” shall mean all Incentive-Based Compensation Received by any current or former Executive Officer on or after the Nasdaq Effective Date, provided that:

(i) such Incentive-Based Compensation is Received after such individual began serving as an Executive Officer;

(ii) such individual served as an Executive Officer at any time during the performance period for such Incentive-Based Compensation;

(iii) such Incentive-Based Compensation is Received while the Company has a class of securities listed on Nasdaq; and

(iv) such Incentive-Based Compensation is Received during the applicable Clawback Period.

(d) “Clawback Period” shall mean, with respect to any Accounting Restatement, the three completed fiscal years of the Company immediately preceding the Restatement Date and any transition period (that results from a change in the Company’s fiscal year) of less than nine months within or immediately following those three completed fiscal years.

- (e) “Committee” shall mean the Compensation Committee of the Board.
- (f) “Common Stock” shall mean the common stock, par value \$0.01 per share, of the Company.
- (g) “Company” shall mean NN, Inc., a Delaware corporation.
- (h) “Company Group” shall mean the Company, together with each of its direct and indirect subsidiaries.

(i) “Erroneously Awarded Compensation” shall mean, with respect to any current or former Executive Officer in connection with any Accounting Restatement, the amount of Clawback Eligible Incentive Compensation Received by such current or former Executive Officer that exceeds the amount of Clawback Eligible Incentive Compensation that otherwise would have been Received by such current or former Executive Officer had such Clawback Eligible Incentive Compensation been determined based on the restated amounts as reflected in connection with such Accounting Restatement, computed without regard to any taxes paid.

(j) “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(k) “Executive Officer” shall mean any officer as defined in Rule 10D-1(d) (or any successor provision thereof) under the Exchange Act.

(l) “Financial Reporting Measures” shall mean measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any other measures that are derived wholly or in part from such measures. For purposes of this Policy, stock price and total shareholder return (and any measures that are derived wholly or in part from stock price or total shareholder return) shall be considered Financial Reporting Measures. For the avoidance of doubt, a Financial Reporting Measure need not be presented within the Company’s financial statements or included in a filing with the SEC.

(m) “Incentive-Based Compensation” shall mean any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

(n) “Nasdaq” shall mean the Nasdaq Stock Market.

(o) “Nasdaq Effective Date” shall mean October 2, 2023.

(p) “Received” shall mean when Incentive-Based Compensation is received, and Incentive-Based Compensation shall be deemed received in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if payment or grant of the Incentive-Based Compensation occurs after the end of that period.

(q) “Restatement Date” shall mean the earlier to occur of (i) the date the Board, a committee of the Board or the officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement.

(r) “SEC” shall mean the U.S. Securities and Exchange Commission.

4. Recoupment of Erroneously Awarded Compensation.

(a) In the event that the Company is required to prepare an Accounting Restatement, (i) the Committee shall determine the amount of any Erroneously Awarded Compensation for each applicable current or former Executive Officer (whether or not such individual is serving as an Executive Officer at such time) (the “Applicable Executives”) in connection with such Accounting Restatement; (ii) the Company will reasonably promptly require the recoupment of such Erroneously Awarded Compensation

from any such Applicable Executive, which shall be set forth in a written demand submitted by the Committee to such Applicable Executive (such written notice, a “Demand Notice”), including the period of time by which such Applicable Executive should surrender such Erroneously Awarded Compensation; and (iii) any such Applicable Executive shall surrender such Erroneously Awarded Compensation to the Company, at such time(s), and via such method(s), as determined by the Committee in accordance with the terms of the Demand Notice and this Policy. In such event, any such Applicable Executive shall enter into any recoupment or similar agreement as may be requested by the Committee in connection with the Company’s recoupment of Erroneously Awarded Compensation from such Applicable Executive pursuant to the terms of this Policy.

(b) For Incentive-Based Compensation based on (or derived from) stock price or total shareholder return where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the applicable Accounting Restatement, (i) such amount shall be determined by the Committee based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was Received, and (ii) the Company will maintain documentation of the determination of that reasonable estimate and provide such documentation to Nasdaq.

(c) To the extent any Applicable Executive does not repay any Erroneously Awarded Compensation in the manner and within the period of time set forth in such Demand Notice, the Committee shall determine, in its sole discretion, the method(s) for recouping any Erroneously Awarded Compensation from any Applicable Executive, which may include one or more of the following:

(i) requiring one or more cash payments to the Company Group from such Applicable Executive, including, but not limited to, the repayment of cash Incentive-Based Compensation previously paid by the Company Group to such Applicable Executive;

(ii) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer or other disposition of any equity-based awards previously made by the Company to such Applicable Executive and/or otherwise requiring the delivery to the Company of shares of Common Stock held by such Applicable Executive;

(iii) withholding, reducing or eliminating future cash compensation (including cash incentive payments), future equity awards and/or other benefits or amounts otherwise to be paid or awarded by the Company Group to such Applicable Executive;

(iv) offsetting amounts against compensation or other amounts otherwise payable by the Company Group to such Applicable Executive;

(v) cancelling, adjusting or offsetting against some or all outstanding vested or unvested equity awards of the Company held by such Applicable Executive; and/or

(vi) taking any other remedial and recovery actions with respect to such Applicable Executive permitted by applicable legal requirements and the rules and regulations of Nasdaq, as determined by the Committee.

(d) Notwithstanding anything herein to the contrary, the Company shall not be required to recover Erroneously Awarded Compensation from any Applicable Executive pursuant to the terms of this Policy if (1) the Committee determines that such recovery would be impracticable, and (2) any of the following conditions is met:

(i) the direct expenses paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered, provided that, before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on expense of enforcement pursuant to this clause (i), the Company has (x) made a reasonable attempt to recover such Erroneously Awarded Compensation, (y) documented such reasonable attempt(s) to recover, and (z) provided such documentation to Nasdaq;

(ii) recovery would violate home country law where that law was adopted prior to November 28, 2022, provided that, before determining that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law, the Company has obtained an opinion of home country counsel, acceptable to Nasdaq, that recovery would result in such a violation, has provided copy of the opinion is provided to Nasdaq; or

(iii) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company Group, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

5. No Indemnification, Etc. The Company Group shall not (x) indemnify any current or former Executive Officer against (i) the loss of any Erroneously Awarded Compensation that is repaid, returned or recovered pursuant to the terms of this Policy, or (ii) any claims relating to the Company Group's enforcement of its rights under this Policy, or (y) pay or reimburse any current or former Executive Officers for insurance premiums to recover losses incurred under this Policy.

6. Supersedeure. This Policy will supersede any provisions in (x) any agreement, plan or other arrangement applicable to any member of the Company Group, and (y) any organizational documents of any entity that is part of Company Group that, in any such case, (a) exempt any Incentive-Based Compensation from the application of this Policy, (b) waive or otherwise prohibit or restrict the Company Group's right to recover any Erroneously Awarded Compensation, including, without limitation, in connection with exercising any right of setoff as provided herein, and/or (c) require or provide for indemnification to the extent that such indemnification is prohibited under Section 5 above.

7. Amendment; Termination; Interpretation. The Board may amend or terminate this Policy at any time, subject to compliance with all applicable legal requirements and the rules and requirements of Nasdaq. It is intended that this Policy be interpreted in a manner that is consistent with the SEC/Nasdaq Clawback Rules. This Policy amends and restates the Incentive Compensation Recoupment Policy of the Company as originally adopted on March 18, 2015 (the "Prior Policy") in its entirety, provided, however, that, to the extent that the Company has a right of recoupment against any Executive (as defined under the Prior Policy) where there is not a right of recoupment under this Policy (without giving effect to Section 4(d) of this Policy), the Company may recover under the Prior Policy in accordance with the terms thereof as in effect immediately prior to the adoption of this Policy.

8. Other Recoupment Rights; No Additional Payments.

(a) Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company Group pursuant to (i) the terms of any recoupment provisions in any employment agreement, incentive or equity compensation plan or award or other agreement, (ii) any other legal requirements, including, but not limited to, Section 304 of Sarbanes-Oxley Act of 2002 (subject to Section 8(b) of this Policy below), and (iii) any other legal rights or remedies available to the Company.

(b) Notwithstanding anything herein to the contrary, to the extent that the Committee determines that any Erroneously Awarded Compensation includes any amounts that have been actually reimbursed to the Company Group from any Applicable Executive pursuant to Section 304 of the Sarbanes-Oxley Act (any such amounts that have been reimbursed to the Company Group, the "Applicable SOX Recoupment Amount"), in order to prevent duplicative recovery, the amount of any Erroneously Awarded Compensation to be recovered from any such Applicable Executive shall be reduced by the Applicable SOX Recoupment Amount.

(c) To the extent so determined by the Committee, the Company shall be entitled to recover from any Applicable Executive all fees and expenses incurred by the Company Group in connection with enforcing its rights under this Policy against any Applicable Executive.

9. Successors. This Policy shall be binding and enforceable against all current and former Executive Officers and their beneficiaries, heirs, executors, administrators or other legal representatives.

Exhibit A

Form of Acknowledgment

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the NN, Inc. Amended and Restated Incentive Compensation Recoupment Policy (the "Policy"). Capitalized terms used but not otherwise defined in this acknowledgment shall have the meanings ascribed to such terms in the Policy.

By signing this acknowledgment, the undersigned acknowledges and agrees that the undersigned is and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned's employment with the Company Group. Further, by signing below, the undersigned agrees to abide by the terms of the Policy, including, without limitation, by returning any Erroneously Awarded Compensation to the Company Group to the extent required by the Policy.

Signature

Print Name

Date