

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 15, 2023

EMERGENT BIOSOLUTIONS INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-33137
(Commission File Number)

14-1902018
(IRS Employer
Identification No.)

**400 Professional Drive, Suite 400,
Gaithersburg, Maryland 20879**
(Address of principal executive offices, including zip code)

(240) 631-3200
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, Par Value \$0.001 per share	EBS	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.01 Completion of Acquisition or Disposition of Assets

On May 15, 2023, pursuant to the Purchase and Sale Agreement (the "Purchase and Sale Agreement"), by and between Emergent BioSolutions Inc., through its wholly owned subsidiaries Emergent International Inc. and Emergent Travel Health Inc. (collectively, "Emergent" or "Company") and Bavarian Nordic (the "Buyer"), the Company completed the previously announced sale of the Company's travel health business (the "Business"), including rights to Vivotif®, the licensed typhoid vaccine; Vaxchora®, the licensed cholera vaccine; the development-stage chikungunya vaccine candidate CHIKV VLP; the Company's manufacturing site in Bern, Switzerland; and certain of its development facilities in San Diego, California.

At the closing, Buyer paid a cash purchase price of \$270 million, exclusive of customary closing adjustments for cash, indebtedness, working capital and transaction expenses of the business at closing (the "Purchase Price"). Bavarian Nordic may also be required to pay milestone payments of up to \$80 million related to the development of CHIKV VLP and receipt of marketing approval and authorization in the U.S. and Europe, and earn-out payments of up to \$30 million based on aggregate net sales of Vaxchora and Vivotif in calendar year 2026.

The description of the Transaction does not purport to be complete and is qualified in its entirety by reference to the full text of the Purchase and Sale Agreement which was attached as Exhibit 10.204 to the Company's Annual Report on Form 10-K for the year ended December 31, 2022 filed on March 1, 2023, and is incorporated herein by reference as Exhibit 2.1. The Purchase and Sale Agreement is intended to provide investors with information regarding its material terms. It is not intended to provide any other financial information about the Company or its subsidiaries or affiliates. The representations, warranties, and covenants contained in the Purchase and Sale Agreement were made only for purposes of that agreement and as of specific dates, are solely for the benefit of the parties to the Purchase and Sale Agreement, may be subject to limitations agreed upon by the parties, including being qualified by confidential disclosures made for the purposes of allocating contractual risk between the parties to the Purchase and Sale Agreement instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the parties that differ from those applicable to investors. Investors should not rely on the representations, warranties, or covenants or any description thereof as characterizations of the actual state of facts or condition of the entities being acquired or any of their subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations, warranties, and covenants may have changed after the date of the Purchase and Sale Agreement.

Item 7.01 Regulation FD Disclosure.

On May 15, 2023, Emergent issued a press release announcing the closing of the Transaction, which is furnished as Exhibit 99.1 hereto.

The information contained in this Item 7.01 shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing, under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(b) Pro Forma Financial Information.

The following unaudited pro forma condensed consolidated financial information of Emergent BioSolutions Inc. in connection with the Transaction, including the notes thereto, is filed as Exhibit 99.2 hereto and incorporated herein by reference:

- Unaudited pro forma condensed consolidated balance sheet as of March 31, 2023
 - Unaudited pro forma condensed consolidated statements of operations for the three months ended March 31, 2023 and the year ended December 31, 2022
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(d) Exhibits.

Exhibit No.	Description
2.1*+	Purchase and Sale Agreement, dated February 15, 2023 by and between Emergent BioSolutions Inc., through its wholly owned subsidiaries Emergent International Inc. and Emergent Travel Health Inc. and Bavarian Nordic (incorporated by reference to Exhibit 10.204 of the Company's Annual Report on Form 10-K for the year ended December 31, 2022, filed on March 1, 2023).
99.1	Press release, dated May 15, 2023.
99.2	Unaudited pro forma condensed financial information of Emergent BioSolutions Inc.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Schedules and exhibits to the Purchase and Sale Agreement have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished to the Securities and Exchange Commission upon request.

+ Certain confidential portions of this exhibit were omitted by means of marking such portions with asterisks because the identified confidential portions (i) are not material and (ii) would be competitively harmful if publicly disclosed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EMERGENT BIOSOLUTIONS INC.

Dated: May 15, 2023

By: _____ /s/ RICHARD S. LINDAHL
Name: Richard S. Lindahl
Title: Executive Vice President, Chief Financial
Officer and Treasurer

Emergent BioSolutions Finalizes Sale of Travel Health Business to Bavarian Nordic

GAITHERSBURG, Md., May 15, 2023 – Emergent BioSolutions (NYSE: EBS) today announced it has completed the sale of its travel health business to Bavarian Nordic (OMX: BAVA). At closing Emergent received \$270 million, subject to customary closing adjustments, and may receive up to an additional \$110 million in potential future milestone payments.

With the transaction closed, Bavarian Nordic has acquired the rights to Vivotif[®], the licensed typhoid vaccine, and Vaxchora[®], the licensed cholera vaccine, as well as the development-stage chikungunya vaccine candidate CHIKV VLP. Bavarian Nordic also acquired manufacturing in Bern, Switzerland, and development facilities in San Diego, California. The majority of Emergent employees supporting these products and facilities are joining Bavarian Nordic.

“This deal achieves two significant outcomes key to our mission and future success,” said Robert G. Kramer, Emergent president and chief executive officer. “It allows us to further sharpen our focus on our core products and contract manufacturing services businesses while continuing to deliver these important vaccines to patients and customers who need them.”

For Emergent BioSolutions, Wells Fargo Securities, LLC served as financial advisor, and Barnes & Thornburg LLP served as legal counsel for this transaction.

About Emergent BioSolutions

At Emergent, our mission is to protect and enhance life. For over 20 years, we’ve been at work defending people from things we hope will never happen—so we are prepared just in case they ever do. We provide solutions for complex and urgent public health threats through a portfolio of vaccines and therapeutics that we develop and manufacture for governments and consumers. We also offer a range of integrated contract development and manufacturing services for pharmaceutical and biotechnology customers. To learn more about our mission to protect or enhance lives, visit our website and follow us on [LinkedIn](#), [Twitter](#), and [Instagram](#).

Safe Harbor Statement

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, including statements regarding potential benefits of the transaction with Bavarian Nordic, including potential future milestone payments, are forward-looking statements. We generally identify forward-looking statements by using words like “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “may,” “plan,” “should,” “will,” “would,” and similar expressions or variations thereof, or the negative thereof, but these terms are not the exclusive means of identifying such statements. Forward-looking statements are based on our current intentions, beliefs and expectations regarding future events. We cannot guarantee that any forward-looking statement will be accurate. Readers should realize that if underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could differ materially from our expectations. Readers are, therefore, cautioned not to place undue reliance on any forward-looking statement. Any forward-looking statement speaks only as of the date of this press release, and, except as required by law, we

do not undertake to update any forward-looking statement to reflect new information, events or circumstances. There are a number of important factors that could cause the company's actual results to differ materially from those indicated by any forward-looking statements. Readers should consider this cautionary statement, as well as the risk factors identified in our periodic reports filed with the U.S. Securities and Exchange Commission, when evaluating our forward-looking statements.

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Emergent BioSolutions Inc. and Subsidiaries
Unaudited Pro Forma Condensed Consolidated Financial Information

On February 15, 2023, Emergent BioSolutions Inc. (“Emergent”), through its wholly owned subsidiaries Emergent International Inc. and Emergent Travel Health Inc. (collectively the “Company”) entered into a Purchase and Sale Agreement (the “Definitive Agreement”) with Bavarian Nordic (“Bavarian”) for the sale of the Company’s travel health business (the “Travel Health” or the “Business”), including rights to (i) Vivotif®, the licensed typhoid vaccine, (ii) Vaxchora®, the licensed cholera vaccine, (iii) the development-stage chikungunya vaccine candidate CHIKV VLP, and (iv) the Company’s manufacturing site in Bern, Switzerland and certain of its development facilities in San Diego, California — (collectively, the “Business Disposition”). Under the Definitive Agreement, Bavarian will pay a cash purchase price of \$270.0 million at closing, subject to customary adjustments for cash, indebtedness, working capital and transaction expenses of the business at closing; Bavarian will also pay milestone payments of up to \$80.0 million related to the development of CHIKV VLP and receipt of marketing approval and authorization in the US and Europe, as well as earnout payments of up to \$30.0 million based on aggregate net sales of Vaxchora and Vivotif in calendar year 2026. On May 15, 2023, the Company successfully completed the Business Disposition and, after closing adjustments, received approximately \$270.0 million in gross cash proceeds from Bavarian, subject to limited post-closing adjustments.

The following unaudited pro forma consolidated financial information is presented in accordance with the rules specified by Article 11 of Regulation S-X promulgated by the U.S. Securities and Exchange Commission (the “SEC”) and has been prepared subject to the assumptions and adjustments as described in the notes thereto. Specifically, the unaudited pro forma consolidated financial information set forth below reflects the effects of the Business Disposition on Emergent’s (i) Condensed Consolidated Balance Sheet as of March 31, 2023 as if the Business disposition had occurred on that date, and (ii) Condensed Consolidated Statement of Operations for the three months ended March 31, 2023 and year ended December 31, 2022, as if the Business Disposition had occurred on January 1, 2023 and January 1, 2022, respectively. Management believes that the assumptions used and adjustments made are reasonable under the circumstances and given the information available.

The following unaudited pro forma consolidated financial information is for illustrative and informational purposes only and is not necessarily indicative of the financial condition or results of operations of the Company that would have occurred if the Business Disposition had occurred on the dates indicated, nor is it indicative of the future financial condition or results of operations of the Company. The unaudited Pro Forma Consolidated Statements of Operations also do not reflect the gain from the Business Disposition, potential actions to reduce corporate overhead, potential tax or hedging strategies in the Business Disposition. In addition, the unaudited Pro Forma Consolidated Statements of Operations do not include any adjustments with respect to certain expenses recorded that were related to non-recurring events both related and unrelated to the Business Disposition.

The unaudited pro forma consolidated financial information should be read in conjunction with:

- The accompanying notes to the unaudited pro forma condensed consolidated financial statements;
- Emergent’s audited consolidated financial statements included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022;
- Emergent’s unaudited consolidated financial statements included in the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2023; and
- The risks described under “Cautionary Note Regarding Forward-Looking Statements” and under “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022, and any updates to those risks or new risks contained in the Company’s subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC.

Capitalized terms used and not defined in the Company’s unaudited Pro Forma Condensed Consolidated Balance Sheet as of March 31, 2023 and the accompanying notes thereto and in the Company’s unaudited Pro Forma Condensed Consolidated statement of operations for the three months ended March 31, 2023 and the accompanying notes thereto have the meanings ascribed to them in the Company’s Quarterly Report on Form 10-Q for the period ended March 31, 2023 filed with the SEC. Capitalized terms used and not defined in the Company’s unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2022 and the accompanying notes thereto have the meanings ascribed to them in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC.

Pro Forma Condensed Consolidated Balance Sheet
As of March 31, 2023
(in millions, except per share data)
(unaudited)

	Emergent BioSolutions Inc.	Travel Health Business		Emergent BioSolutions Inc.
	Historical (A)	Disposition Adjustments (B)	Pro Forma Adjustments	Pro Forma
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 430.2	\$ —	—	\$ 430.2
Accounts receivable, net	155.9	—	—	155.9
Inventories, net	367.9	—	—	367.9
Prepaid expenses and other current assets	41.7	—	—	41.7
Assets held for sale	225.6	(225.6)	—	—
Total current assets	<u>1,221.3</u>	<u>(225.6)</u>	<u>—</u>	<u>995.7</u>
Property, plant and equipment, net	716.8	—	—	716.8
Intangible assets, net	608.9	—	—	608.9
Goodwill	218.2	—	—	218.2
Other assets	184.6	—	—	184.6
Total assets	<u>\$ 2,949.8</u>	<u>\$ (225.6)</u>	<u>\$ —</u>	<u>\$ 2,724.2</u>
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	\$ 124.2	—	—	\$ 124.2
Accrued expenses	21.3	—	—	21.3
Accrued compensation	56.8	—	—	56.8
Debt, current portion	950.7	—	(266.0)	C 684.7
Other current liabilities	25.2	—	16.0	D 41.2
Liabilities held for sale	37.5	(37.5)	—	—
Total current liabilities	<u>1,215.7</u>	<u>(37.5)</u>	<u>(250.0)</u>	<u>928.2</u>
Debt, net of current portion	447.7	—	—	447.7
Deferred tax liability	59.7	—	—	59.7
Other liabilities	24.1	—	—	24.1
Total liabilities	<u>1,747.2</u>	<u>(37.5)</u>	<u>(250.0)</u>	<u>1,459.7</u>
Stockholders' equity:				
Preferred stock, \$0.001 par value; 15.0 shares authorized, no shares issued and outstanding	—	—	—	—
Common stock, \$0.001 par value; 200.0 shares authorized, 56.0 shares issued; 50.4 shares outstanding, respectively.	0.1	—	—	0.1
Treasury stock, at cost, 5.6 common shares, respectively	(227.7)	—	—	(227.7)
Additional paid-in capital	878.2	—	—	878.2
Accumulated other comprehensive income (loss), net	1.0	—	—	1.0
Retained earnings	551.0	(188.1)	250.0	D 612.9
Total stockholders' equity	<u>1,202.6</u>	<u>(188.1)</u>	<u>250.0</u>	<u>1,264.5</u>
Total liabilities and stockholders' equity	<u>\$ 2,949.8</u>	<u>\$ (225.6)</u>	<u>\$ —</u>	<u>\$ 2,724.2</u>

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

Pro Forma Condensed Consolidated Statement of Operations
For the Three Months Ended March 31, 2023
(in millions, except per share data)
(unaudited)

	Emergent BioSolutions Inc.		Travel Health Business		Emergent BioSolutions Inc.	
	Historical (A)	Disposition Adjustments (B)	Pro Forma Adjustments	Pro Forma		
Revenues:						
Product sales, net	\$ 143.4	\$ (5.8)	\$ —		\$	137.6
CDMO:						
Services	13.4	—	—			13.4
Leases	1.8	—	—			1.8
Total CDMO	15.2	—	—			15.2
Contracts and grants	6.5	—	—			6.5
Total revenues	165.1	(5.8)	—			159.3
Operating expenses:						
Cost of product sales	102.9	(6.7)	—			96.2
Cost of CDMO	52.2	—	—			52.2
Research and development	40.6	(19.2)	—			21.4
Selling, general and administrative	100.5	(4.8)	4.0	E		99.7
Amortization of intangible assets	17.0	(0.9)	—			16.1
Total operating expenses	313.2	(31.6)	—			281.6
Income (loss) from operations	(148.1)	25.8	(4.0)			(126.3)
Other income (expense):						
Interest expense	(17.9)	—	4.2	F		(13.7)
Other, net	4.9	1.0	—			5.9
Total other income (expense), net	(13.0)	1.0	4.2			(7.8)
Income (loss) before income taxes	(161.1)	26.8	0.2			(134.1)
Income tax provision	21.9	19.9	—	G		41.8
Net income (loss)	\$ (183.0)	\$ 6.9	\$ 0.2		\$	(175.9)
Net income (loss) per common share						
Basic	\$ (3.65)				\$	(3.50)
Diluted	\$ (3.65)				\$	(3.50)
Shares used in computing net income (loss) per common share						
Basic	50.2					50.2
Diluted	50.2					50.2

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

Pro Forma Consolidated Statement of Operations
For the Year Ended December 31, 2022
(in millions, except per share data)
(unaudited)

	Emergent BioSolutions Inc.	Travel Health Business Disposition Adjustments		Emergent BioSolutions Inc.
	Historical (A)	(B)	Pro Forma Adjustments	Pro Forma
Revenues:				
Product sales, net	\$ 966.2	\$ (13.0)	\$ —	\$ 953.2
CDMO:				
Services	108.4	—	—	108.4
Leases	4.9	—	—	4.9
Total CDMO	113.3	—	—	113.3
Contracts and grants	41.4	—	—	41.4
Total revenues	1,120.9	(13.0)	—	1,107.9
Operating expenses:				
Cost of product sales	424.1	(18.8)	—	405.3
Cost of CDMO	269.6	—	—	269.6
Research and development	193.0	(94.7)	—	98.3
Selling, general and administrative	340.3	(11.2)	4.0	E 333.1
Goodwill impairment	6.7	—	—	6.7
Amortization of intangible assets	59.9	(6.9)	—	53.0
Total operating expenses	1,293.6	(131.6)	4.0	1,166.0
Income (loss) from operations	(172.7)	118.6	(4.0)	(58.1)
Other income (expense):				
Interest expense	(37.3)	—	8.1	F (29.2)
Other, net	(11.7)	0.2	—	(11.5)
Total other income (expense), net	(49.0)	0.2	8.1	(40.7)
Income (loss) before income taxes	(221.7)	118.8	4.1	(98.8)
Income tax provision (benefit)	2.1	(5.4)	0.9	G (2.4)
Net income (loss)	\$ (223.8)	\$ 124.2	\$ 3.2	\$ (96.4)
Net income (loss) per common share				
Basic	\$ (4.47)			\$ (1.92)
Diluted	\$ (4.47)			\$ (1.92)
Shares used in computing net income (loss) per common share				
Basic	50.1			50.1
Diluted	50.1			50.1

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

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(unaudited, dollar amounts in tables in millions)

Note 1. Basis of Presentation

The Company's unaudited pro forma condensed consolidated financial information has been compiled from underlying financial statements prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC") and in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). They reflect the completed travel health business disposition, including the receipt of \$270.0 million of cash consideration, adjusted for working capital and other certain closing adjustments. The unaudited pro forma condensed consolidated financial information should be read in conjunction with:

- The accompanying notes to the unaudited pro forma condensed consolidated financial statements;
- The Company's unaudited condensed consolidated financial statements included in the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2023;
- The Company's audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022; and
- The risks described under "Cautionary Note Regarding Forward-Looking Statements" and under "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 and any updates to those risk or new risks contained in the Company's subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC.

These unaudited pro forma condensed consolidated financial statements do not purport to be indicative of the financial position or results of earnings of the Company as of such date or for such periods, nor are they necessarily indicative of future results.

Note 2. Pro Forma Adjustments

The following are notes to the unaudited pro forma financial information as of March 31, 2023 and December 31, 2022:

(A) Reflects amounts as originally reported by the Company in its Annual Report on Form 10-K for the year ended December 31, 2022 and the Quarterly Report on Form 10-Q for the quarter ended March 31, 2023.

(B) Represents the operations, assets, liabilities and equity of Travel Health included within the Company's consolidated financial statements as well as the impact of the removal of the Travel Health business on the effective tax rate.

(C) Adjustment reflects the expected pay down of the Revolving Credit Facility with cash proceeds from the sale of the Travel Health business, net of estimated transaction costs:

Total proceeds from sale of Travel Health	\$	270.0
Less: Transaction costs		(4.0)
Net proceeds used to pay down debt	\$	266.0

The Company is entitled to contingent consideration from the sale tied to certain earn-out and milestone payments in future periods. The Company accounts for this contingent consideration using the loss recovery method and, as such, the \$270.0 million of total proceeds excludes any potential contingent consideration.

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(unaudited, dollar amounts in tables in millions)

(D) Adjustment reflects the pro forma gain of \$78.0 million (\$62.0 million net of tax) arising from the transaction as if it had occurred as of March 31, 2023:

Gross proceeds from sale of Travel Health	\$	270.0
Less: Carrying value of Travel Health		(188.1)
Less: Transaction costs		(4.0)
	Pro forma gain before tax \$	78.0
Income tax provision		(16.0)
	Pro forma net gain after tax \$	61.9

The amount of the actual gain and related tax effect will be calculated based on the net book value of the sold business as of the closing of the transaction and therefore, could differ from the current estimate. See footnote (G) regarding the basis for the income tax effect.

(E) Adjustment reflects \$4.0 million of transaction expenses incurred related to the sale of Travel Health.

(F) Adjustment reflects the reduction of \$8.1 million and \$4.2 million of interest expense for the year ending December 31, 2022 and three months ending March 31, 2023, respectively, as a result of the expected pay down of the Revolving Credit Facility.

(G) Adjustment reflects the estimated income tax effect of the pro forma adjustments at the US statutory rate. Management believes the statutory rate is a reasonable basis to estimate the tax adjustments necessary for the pro forma. Management understands the effect rate may differ from estimates when producing actual operating results. Note that the tax effect of adjustments for the three months ended March 31, 2023 is inconsequential.