Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2020

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

A This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
PREFERRED PUMP & EQUIPMENT EMPLOYEE STOCK OWNERSHIP PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/2019

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
PPE GENPAR, INC.

2201 SCOTT AVENUE, SUITE 100
FORT WORTH, TX 76103-2238

2b Employer Identification Number (EIN) 75-1830915

2c Plan Sponsor's telephone number 817-536-9800

2d Business code (see instructions) 423800

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	08/02/2021	MARK FOSTER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address [X] Same as Plan Sponsor

3b Administrator's EIN

3c Administrator's telephone number

4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:

a Sponsor's name

c Plan Name

4b EIN

4d PN

5 Total number of participants at the beginning of the plan year	**5**	468
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1) Total number of active participants at the beginning of the plan year	**6a(1)**	463
a(2) Total number of active participants at the end of the plan year	**6a(2)**	463
b Retired or separated participants receiving benefits	**6b**	0
c Other retired or separated participants entitled to future benefits	**6c**	22
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**	**6d**	485
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f Total. Add lines **6d** and **6e**	**6f**	485
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	473
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	14
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2P 2Q 2I

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)

- **(1)** [ ] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] Trust
- **(4)** [ ] General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

- **(1)** [ ] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] Trust
- **(4)** [ ] General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- **(1)** [X] **R** (Retirement Plan Information)
- **(2)** [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] 0 **A** (Insurance Information)
- **(4)** [ ] **C** (Service Provider Information)
- **(5)** [ ] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2020 Form M-1 annual report. If the plan was not required to file the 2020 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2020

This Form is Open to Public Inspection

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

A Name of plan
PREFERRED PUMP & EQUIPMENT EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
PPE GENPAR, INC.

D Employer Identification Number (EIN)
75-1830915

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	**(b)** End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)	2500000	39400000
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	2500000	39400000
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j	62000000	60993418
k	Total liabilities (add all amounts in lines 1g through1j)	1k	62000000	60993418
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	-59500000	-21593418

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

			(a) Amount	**(b)** Total
	Income			
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	2303445	
	(B) Participants	2a(1)(B)		
	(C) Others (including rollovers)	2a(1)(C)		
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		2303445
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)		
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)	36900000	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		36900000

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		39203445
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	868	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		868
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		1295800
i Administrative expenses: **(1)** Professional fees	2i(1)	195	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		195
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		1296863
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		37906582
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [X] Unmodified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) [ ] DOL Regulation 2520.103-8 **(2)** [ ] DOL Regulation 2520.103-12(d) **(3)** [X] neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: BDO USA, LLP **(2)** EIN: 13-5381590

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	

			Yes	No	Amount
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	**4b**		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	**4c**		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	**4d**		X	
e	Was this plan covered by a fidelity bond?	**4e**	X		10000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	**4f**		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4g**		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4h**		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	**4i**	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)	**4j**		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	**4k**		X	
l	Has the plan failed to provide any benefit when due under the plan?	**4l**		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**4m**		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	**4n**			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☐ No

If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2020

This Form is Open to Public Inspection.

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

A Name of plan
PREFERRED PUMP & EQUIPMENT EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
PPE GENPAR, INC.

D Employer Identification Number (EIN)
75-1830915

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... | **1** | 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 33-6134835

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year ..... | **3** |

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6	**a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	**6a**	
	b Enter the amount contributed by the employer to the plan for this plan year	**6b**	
	c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	**6c**	

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☒ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☒ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☒ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☒ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment)	**14a**	
b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	**14b**	
c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

20 **PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation_____

Preferred Pump & Equipment Employee Stock Ownership Plan

Financial Statements and Supplemental Schedule

As of December 31, 2020 and 2019, and
For the Year Ended December 31, 2020

The report accompanying these financial statements was issued by BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.

Preferred Pump & Equipment
Employee Stock Ownership Plan

Financial Statements and Supplemental Schedule
As of December 31, 2020 and 2019 and
For the Year Ended December 31, 2020

Preferred Pump & Equipment Employee Stock Ownership Plan

Contents

Independent Auditor's Report 1

Financial Statements

Statements of Net Assets (Deficit) Available for Benefits - As of December 31, 2020 and 2019 4

Statement of Changes in Net Assets (Deficit) Available for Benefits - For the Year ended December 31, 2020 5

Notes to Financial Statements 6

Supplemental Schedule

Schedule H, line 4i – Schedule of Assets (Held at End of Year) - As of December 31, 2020 15

Tel: 817-738-2400
Fax: 817-738-1995
www.bdo.com

Bank of America Tower
301 Commerce Street, Suite 2000
Fort Worth, TX 76102

Independent Auditor's Report

Plan Administrator
Preferred Pump & Equipment Employee Stock Ownership Plan
Fort Worth, Texas

Opinion

We have audited the financial statements of the Preferred Pump & Equipment Employee Stock Ownership Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), which comprise the statements of net assets (deficit) available for benefits as of December 31, 2020 and 2019, and the related statement of changes in net assets (deficit) available for benefits for the year ended December 31, 2020, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets (deficit) available for benefits of the Plan as of December 31, 2020 and 2019, and the changes in its net assets (deficit) available for benefits for the year ended December 31, 2020, in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Management is responsible for maintaining a current plan instrument, including all plan amendments. Management is also responsible for administering the Plan and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter - Supplemental Schedule Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule, Schedule H, line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2020, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying supplemental schedule is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

BDO USA, LLP

Fort Worth, Texas
July 22, 2021

Financial Statements

Preferred Pump & Equipment Employee Stock Ownership Plan

Statements of Net Assets (Deficit) Available for Benefits

December 31,	2020			2019		
	Allocated	**Unallocated**	**Total**	Allocated	Unallocated	Total
Assets:						
Investment in PPE Genpar, Inc. common stock, at fair value	**$ 3,422,205**	**$ 35,977,795**	**$ 39,400,000**	$ 158,610	$ 2,341,390	$ 2,500,000
Liabilities:						
Notes payable	**-**	**60,993,418**	**60,993,418**	-	62,000,000	62,000,000
Net assets (deficit) available for benefits	**$ 3,422,205**	**$ (25,015,623)**	**$ (21,593,418)**	$ 158,610	$ (59,658,610)	$ (59,500,000)

See accompanying notes to financial statements.

Preferred Pump & Equipment Employee Stock Ownership Plan

Statement of Changes in Net Assets (Deficit) Available for Benefits

For the year ended December 31, 2020

	Allocated	Unallocated	Total
Additions:			
Net appreciation in fair value of common stock of PPE Genpar, Inc.	$ 3,205,060	$ 33,694,940	$ 36,900,000
Allocation of 2,341.3897 of PPE Genpar, Inc. common stock, at fair value	58,535	-	58,535
Cash contributions - employer	1,063	2,302,382	2,303,445
Total Additions	3,264,658	35,997,322	39,261,980
Deductions:			
Benefits paid to participants	868	-	868
Interest expense	-	1,295,800	1,295,800
Allocation of 2,341.3897 of PPE Genpar, Inc. common stock, at fair value	-	58,535	58,535
Administrative fees	195	-	195
Total deductions	1,063	1,354,335	1,355,398
Net increase	3,263,595	34,642,987	37,906,582
Net assets (deficit) available for benefits, beginning of year	158,610	(59,658,610)	(59,500,000)
Net assets (deficit) available for benefits, end of year	$ 3,422,205	$ (25,015,623)	$ (21,593,418)

See accompanying notes to financial statements.

1. Description of Plan

The following description of the Preferred Pump & Equipment Employee Stock Ownership Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan was established effective January 1, 2019, by PPE Genpar, Inc., the Plan's sponsor, and covers all eligible employees of its subsidiary, Preferred Pump and Equipment, L.P. PPE Genpar, Inc. and Preferred Pump and Equipment, L.P. are collectively referred to hereinafter as the "Company". The Plan was established and operates, in relevant part, as a leveraged employee stock ownership plan (ESOP) and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended ("IRC"), and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). During 2019 and as of December 31, 2019, Neil Brozen served as the Plan's trustee and custodian. Effective January 1, 2020, Plan Management appointed a new interim trustee, Mark Foster, to replace the former trustee. Effective April 23, 2020, the Committee replaced the interim trustee with Alberto Tarajano. Mark Foster and Alberto Tarajano are collectively referred to hereinafter as the "Trustee". The Trustee serves as the Plan's independent third-party trustee and as the custodian that holds the stock for the participants and the unallocated shares. Effective June 19, 2020, the Company's Board of Directors appointed four members to serve as the ESOP Committee (the "Committee"). The Committee has responsibility for appointing and removing the Trustee, establishing a funding policy and method, and amending or terminating the Plan. The Company bears the responsibility for making contributions. Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan.

During 2019, the Plan purchased 100,000 shares of the Company's common stock at $662 per share. Of the 100,000 shares purchased, 6,344.411 shares were purchased with cash in the amount of $4,200,000, and 93,655.589 shares were purchased with a promissory note to the Company for $62,000,000.

The promissory note is collateralized by the unallocated shares of common stock. As the promissory note is repaid, shares are released and allocated among qualified participants in proportion to their respective amounts of compensation for the Plan year. The Company has no rights against shares of common stock once they are allocated to participants in accordance with the terms of the Plan. Accordingly, these financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to

(1.) the accounts of employees with rights in allocated common stock ("allocated"), and

(2.) common stock not yet allocated to employees ("unallocated").

Eligibility

Employees of the Company are generally eligible to participate in the Plan after attaining the age of 20 ½ and completing one year of service, providing they worked at least 1,000 hours during such Plan year. Participants who are not employed on the last working day of a plan year for reasons other than due to death, disability or retirement are not eligible for an allocation of Company contributions for such year.

Contributions

Company contributions are determined annually at the discretion of the Company's Board of Directors and may be in the form of cash or in shares of Company common stock, or a combination of both. The Company is obligated to make contributions to the Plan which, when aggregated with the Plan's dividends and interest earnings, if any, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its note payable.

Payment of Benefits

No distributions from the Plan will be made until a participant retires, dies or becomes disabled (in which case, payment shall be made to his or her beneficiary or, if none, his or her legal representatives), or otherwise terminates employment with the Company. Under the provisions of the Plan, the Company is obligated to repurchase participant shares, which have been distributed under the terms of the Plan if the shares are not publicly traded or if the shares are subject to trading limitations.

In addition to normal retirement, disability, or death, the Plan provides that participants become eligible for a distribution of the vested portion of their account no later than the sixth (6th) plan year following the plan year during which their employment terminated. For account balances less than $1,000, the Plan shall distribute the participants balance in a lump sum or direct rollover to another qualified plan as soon as administratively practicable. For account balances that exceed $1,000, but are equal to or less than $5,000, and the participant does not elect to receive a distribution, the Plan will pay the distribution in a direct rollover to an individual retirement account designated by the Plan Administrator as soon as administratively practicable following the end of the plan year in which the participant incurred the separation from service. If a participant's vested balance exceeds $5,000 and the participant does not consent to an earlier distribution, the Plan will commence distribution of the participant's balance not later than 60 days after the close of the plan year in which the later of the following occur unless the participant affirmatively elects to delay distribution in writing to a later date:

(1.) The participant reaches normal retirement age;

(2.) The participant's 10th anniversary of the year in which the participant commenced participating in the plan;

(3.) The participant's separation from service; or

(4.) The beginning date of required minimum distributions

The total vested account balance of participants meeting such eligibility requirements at December 31, 2020 and 2019 is $72,106 and $0, respectively.

Voting Rights

Each participant is entitled to direct the Trustee as to how to vote the shares allocated to his or her account with respect to certain extraordinary transactions (such as merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all assets of a trade or business, or any similar transactions that are specified in regulations interpreting Section 409(e)(3) of the IRC). Participants are notified prior to the time such rights are to be exercised. The Trustee shall vote the shares of Company common stock which are not allocated to any participant and the shares with respect to which no direction is received from the participant, in the manner determined by the Board of Directors of the Company.

Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each plan year with an allocation of shares of the Company's common stock released by the Trustee from the unallocated account and forfeitures of terminated participants' non-vested accounts. Only those participants who are eligible employees of the Company, or have terminated due to death, disability or retirement within the plan year, will receive an allocation. Allocations are based on a participant's eligible compensation during the plan year, relative to total eligible compensation.

Dividends on the Company's common stock, as well as plan earnings and expenses, are allocated pro rata among the account of the participants in proportion to their Company stock account balances. The Company did not declare any dividends for the year ended December 31, 2020.

Vesting

Participants vest in the balances of his or her account based on total years of service with the Company, starting from the effective date of the Plan, according to the following schedule:

Years of Service	Vesting Percentage
1	0%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

Participants become fully vested immediately upon death, disability, or retirement.

Put Option

Under federal income tax regulations, the employer stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the current appraised value of the stock. The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

Forfeitures

Plan forfeitures may be used to offset expenses, reinstate previously forfeited account balances, or add to any ESOP contributions. Forfeitures that are used as additional contributions are allocated to each participant's account based upon the relation of the participant's compensation to total compensation for the Plan year. At December 31, 2019, there were no forfeited non-vested accounts. During the year ended December 31, 2020, there were $67,405 non-vested forfeitures that were reallocated to participants.

Recent Accounting Pronouncements

In September 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-13, *Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. The ASU amends the disclosure requirements for recurring and nonrecurring fair value measurements by removing, modifying, and adding certain disclosures. Specifically, ASU 2018-13 removes the following disclosures: the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy; the policy for timing of transfers; the valuation process for Level 3 fair value measurements; and changes in unrealized gains and losses for the period included in earnings for recurring level 3 fair value measurements held at the end of the reporting period. The ASU modifies the following disclosure requirements: transfers in and out of Level 3 and purchases and issues of Level 3 assets and liabilities; for investments in certain entities that calculate net asset value, the timing of liquidation of an investee's assets and the date when restrictions from redemption might lapse if timing has been communicated or announced publicly; and clarifies that the measurement uncertainty disclosure is to communicate information about the uncertainty in measurement as of the reporting date. The additional disclosures required under ASU 2018-13 are applicable only for public entities. The provisions of ASU 2018-13 are effective for fiscal years beginning after December 15, 2019, with early adoption permitted. Certain amendments of the ASU may be applied prospectively while others should be applied retrospectively to all periods presented upon the effective date. It is permissible to early adopt any removed or modified disclosures and delay adoption of the additional disclosures, if applicable, until the effective date. The Plan adopted ASU 2018-13 effective January 1, 2020, and the adoption did not have an impact on the Plan's financial statements other than the simplification of the disclosure in Note 4 related to the valuation process for the Plan's investments in PPE Genpar, Inc. common stock.

2. Summary of Significant Account Policies

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Allocations

The financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to (a) the accounts of employees with rights in allocated stock ("allocated") and (b) stock not yet allocated to employees ("unallocated"), including shares that are committed to be released. Shares are released from collateral and become allocated generally in the period in which debt service is actually paid.

Investment Valuation and Income Recognition

The common shares of the Company are valued at fair value. Fair value is determined annually, or more frequently if deemed necessary, by independent appraisal. See Note 4 for a discussion of the fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Dividend income is accrued on the ex-dividend date. Realized gains and losses from security transactions are reported using the specific identification method. The Plan presents, in the Statement of Changes in Net Assets (Deficit) Available for Benefits, the net appreciation (depreciation) in fair value of its investments, which consists of realized gains and losses and unrealized appreciation and depreciation on these investments.

Benefit Payments

Benefit payments to participants are recorded when paid.

Expenses

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements.

3. Investments

The Plan's investments in Company common stock at December 31, 2020 and 2019 are as follows:

December 31,	**2020**			2019		
	Allocated	**Unallocated**	**Total**	Allocated	Unallocated	Total
Number of Shares	8,685.8006	91,314.1994	100,000	6,344.4109	93,655.5891	100,000
Cost	$ 5,750,000	$ 60,450,000	$ 66,200,000	$ 4,200,000	$ 62,000,000	$ 66,200,000
Fair Value	$ 3,422,205	$ 35,977,795	$ 39,400,000	$ 158,610	$ 2,341,390	$ 2,500,000

The Plan's investments in the Company's common stock and all related gains and losses are nonparticipant-directed.

4. Fair Value Measurements

FASB Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements*, defines fair value and establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC Topic 820, *Fair Value Measurements*, are described as follows:

> Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
>
> Level 2: Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;
>
> Level 3: Prices or valuations that required inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value.

Company Common Stock

The fair value of the Company's common stock held by the Plan is valued at fair value based upon an independent valuation. This valuation was based upon a combination of the market and income valuation techniques.

The methods used to measure fair value may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumption to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Plan's investments in the Company's common stock are considered Level 3 investments within the fair value hierarchy.

Level 3 Investments

The following is a summary of changes in the fair value of the Plan's Level 3 assets that were measured using significant unobservable inputs for the year ended December 31, 2020:

		Company Common Stock
Beginning Balance, January 1, 2020	**$**	**2,500,000**
Net unrealized appreciation in fair value		**36,900,000**
Ending Balance, December 31, 2020	**$**	**39,400,000**

Gains and losses (realized and unrealized) included in changes in net assets for the period above are reported in net appreciation in fair value of investments in the statement of changes in net assets (deficit) available for benefits.

5. Plan Termination

The Company reserves the right to terminate the Plan at any time, subject to the Plan's provisions. Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the IRC. Upon termination of the Plan, the Committee shall direct the Trustee to pay all liabilities and expenses of the trust fund and to sell shares of financed stock held in the loan suspense account to the extent it determines such sale to be necessary in order to repay the loan. In the event that the Plan is terminated, participants would become 100% vested in their accounts.

6. Note Payable

In 2019, the Plan entered into a $62,000,000 term loan agreement with the Company for the acquisition of 93,655.589 shares of the Company's common stock. Unallocated shares are collateral for the loan. Shares are released from collateral and allocated to participants as payments of principal and interest are made. The number of shares released in any year is the number of shares held as collateral, multiplied by the ratio of the current year payments divided by the total of this year's payments, plus all future years' principal and interest payments.

The agreement provides for the loan to be repaid over 40 years, with prepayment of principal permitted. The loan bears interest at a fixed rate of 2.09%.

The aggregate scheduled amortization of the loan for the next five years and thereafter is as follows:

Years ending December 31,		Total
2021	$	1,027,620
2022		1,049,097
2023		1,071,023
2024		1,093,408
2025		1,116,260
Thereafter		55,636,010
Total Loan Payments	$	60,993,418

7. Related-Party Transactions and Party-in-Interest Transactions

The Plan invests in the Company's common stock and has a note payable to the Company. These transactions qualify as related-party and party-in-interest transactions, which are exempt from the prohibited transaction rules of ERISA. As described in Note 2, the Company pays all Plan expenses.

The Plan has a number of service providers. Such providers are considered to be parties-in-interest under ERISA.

8. Tax Status

The Plan has received a determination letter from the Internal Revenue Service (IRS) dated September 8, 2020, stating that the Plan is qualified under the IRC and, therefore, the related trust is exempt from taxation. The Plan Administrator and the Plan's tax counsel believe that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified, and the related trust is tax-exempt.

U.S. GAAP require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS and the Department of Labor. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

9. Risks and Uncertainties

The Plan investments consist solely of the Company's common stock, which is exposed to various risks, such as interest rate, market, and credit risks, as well as valuation assumptions based on earnings, cash flows, and other such techniques. Due to the level of risk associated with the investment in the common stock and to uncertainties inherent in estimates and assumptions, it is at least reasonably possible that changes in the value of common stock will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets (deficit) available for benefits.

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China ("COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. This pandemic has adversely affected global economic activity and contributed to volatility in financial markets. Because the values of the Plan's investments, including the Company's common stock, have and will fluctuate in response to changing market conditions and the valuation assumptions determined by the Company (such as future earnings and cash flows and valuation techniques), the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. As a result of such declines, the impact, if any, to future loan payments, the Plan's liquidity, and the release of allocated shares of Company common stock to participants cannot be determined at this time.

10. Subsequent Events

Plan management has evaluated subsequent events that occurred after December 31, 2020 and through July 22, 2021, which is the date the financial statements and supplemental schedule were available to be issued.

Supplemental Schedule

Preferred Pump & Equipment Employee Stock Ownership Plan

Schedule H, line 4i – Schedule of Assets (Held at End of Year)

December 31, 2020

EIN: 75-1830915
Plan Number: 002

(a)	(b)	(c)	(d)	(e)
	Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
*	PPE Genpar, Inc.	100,000 Shares of Common Stock	$ 66,200,000	$ 39,400,000
				$ 39,400,000

Preferred Pump & Equipment Employee Stock Ownership Plan

Schedule H, line 4i – Schedule of Assets (Held at End of Year)

December 31, 2020

EIN: 75-1830915
Plan Number: 002

(a)	(b)	(c)	(d)	(e)
	Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
*	PPE Genpar, Inc.	100,000 Shares of Common Stock	$ 66,200,000	$ 39,400,000
				$ 39,400,000