

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

2022

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

- A** This return/report is for:
 - a multiemployer plan
 - a single-employer plan
 - a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
 - 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:
 - Form 5558
 - automatic extension
 - the DFVC program
 - special extension (enter description)
- E** If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶

Part II Basic Plan Information—enter all requested information

1a Name of plan <u>ULTEIG, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	1b Three-digit plan number (PN) ▶ <u>003</u>
	1c Effective date of plan <u>01/01/2005</u>
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) <u>ULTEIG, INC.</u> <u>3350 38TH AVENUE SOUTH</u> <u>FARGO, ND 58104</u>	2b Employer Identification Number (EIN) <u>45-0220725</u>
	2c Plan Sponsor's telephone number <u>701-451-8300</u>
	2d Business code (see instructions) <u>541330</u>

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	<u>Filed with authorized/valid electronic signature.</u>	<u>10/13/2023</u>	<u>SUSAN ASPELUND</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/13/2023</u>	<u>SUSAN ASPELUND</u>
	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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2022)
v. 220413

3a Plan administrator's name and address <input checked="" type="checkbox"/> 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	5 960
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 a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits..... d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)..... h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6a(1) 778 6a(2) 901 6b 58 6c 159 6d 1118 6e 3 6f 1121 6g 1066 6h 86
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: 2I 2O 2Q 2E 3I 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) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> 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) <input checked="" type="checkbox"/> R (Retirement Plan Information) (2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information – Small Plan) (3) <input type="checkbox"/> A (Insurance Information) (4) <input type="checkbox"/> C (Service Provider Information) (5) <input type="checkbox"/> D (DFE/Participating Plan Information) (6) <input type="checkbox"/> 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 2022 Form M-1 annual report. If the plan was not required to file the 2022 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

2022

This Form is Open to Public Inspection

For calendar plan year 2022 or fiscal plan year beginning **01/01/2022** and ending **12/31/2022**

A Name of plan ULTEIG, INC. EMPLOYEE STOCK OWNERSHIP PLAN		B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 ULTEIG, INC.		D Employer Identification Number (EIN) 45-0220725	

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	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	1303448	2140465
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	4900427	4926565
(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)	0	
(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)	1425919	1769457
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	108639878	128527986
(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	116269672	137364473
Liabilities			
g Benefit claims payable.....	1g	0	
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j		
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	116269672	137364473

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.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers.....	2a(1)(A)	7510000	
(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)		7510000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	44683	
(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)	71475	
(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)		116158
(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)		
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate.....	2b(5)(A)		
(B) Other.....	2b(5)(B)	19379527	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		

		(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		0
d Total income. Add all income amounts in column (b) and enter total	2d		27005685
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	5910884	
(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)		5910884
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(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)		0
j Total expenses. Add all expense amounts in column (b) and enter total	2j		5910884
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		21094801
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) 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) 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: **BAKER TILLY US, LLP**

(2) EIN: **39-0859910**

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:

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.)

	Yes	No	Amount
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		1000000
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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2022 This Form is Open to Public Inspection.
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

A Name of plan <u>ULTEIG, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶	<u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ULTEIG, INC.</u>	D Employer Identification Number (EIN) <u>45-0220725</u>	

Part I	Distributions
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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
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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): 46-2020681

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	
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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.)
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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
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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.
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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 (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (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: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	14a	
b The plan year immediately preceding the current plan year. <input type="checkbox"/> 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. <input type="checkbox"/> 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 _____

ULTEIG, INC.

EMPLOYEE STOCK OWNERSHIP PLAN
(F.K.A. ULTEIG ENGINEERS, INC. EMPLOYEE STOCK OWNERSHIP PLAN)

FINANCIAL STATEMENTS
INCLUDING INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2022 AND 2021

Independent Auditors' Report

To the Participants and Plan Administrator of
Ulteig, Inc. Employee Stock Ownership Plan
(f.k.a. Ulteig Engineers, Inc. Employee Stock Ownership Plan)

Opinion

We have audited the financial statements of Ulteig, Inc. 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 available for benefits as of December 31, 2022 and 2021, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2022 and 2021, and the changes in its net assets available for benefits for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

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 Auditors' 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 accounting principles generally accepted in the United States of America, 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 for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, 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.

Auditors' 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 auditors' 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 audits, significant audit findings and certain internal control-related matters that we identified during the audits.

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 4(i) – schedule of assets (held at year end) as of December 31, 2022, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplemental information required by the Department of Labor's (DOL) 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

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

Baker Tilly US, LLP

Minneapolis, Minnesota
October 11, 2023

**ULTEIG, INC. EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2022 AND 2021**

	2022	2021
ASSETS		
Cash	\$ 4,162	\$ -
Investments in Ulteig, Inc. common stock, at fair value	128,527,986	108,639,878
Investments, at fair value	6,691,860	6,326,346
Employer contribution receivable	2,140,465	1,303,448
 Total assets	 137,364,473	 116,269,672
 Net assets available for plan benefits	 \$ 137,364,473	 \$ 116,269,672

ULTEIG, INC. EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ADDITIONS TO NET ASSETS AVAILABLE FOR BENEFITS		
Investment income		
Net appreciation in fair value of investments	\$ 19,379,527	\$ 12,498,676
Interest and dividends	<u>116,158</u>	<u>14,466</u>
Total investment income	<u>19,495,685</u>	<u>12,513,142</u>
Contributions		
Employer	<u>7,510,000</u>	<u>5,000,000</u>
Total additions to net assets	<u>27,005,685</u>	<u>17,513,142</u>
DEDUCTIONS FROM NET ASSETS AVAILABLE FOR BENEFITS		
Benefits paid to participants	<u>5,910,884</u>	<u>3,639,591</u>
Total deductions from net assets	<u>5,910,884</u>	<u>3,639,591</u>
Net increase in net assets available for benefits	21,094,801	13,873,551
NET ASSETS AVAILABLE FOR PLAN BENEFITS		
Beginning of year	<u>116,269,672</u>	<u>102,396,121</u>
End of year	\$ <u>137,364,473</u>	\$ <u>116,269,672</u>

ULTEIG, INC. EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 – DESCRIPTION OF THE PLAN

The following description of the Ulteig, Inc. Employee Stock Ownership Plan (Plan) (f.k.a. Ulteig Engineers, Inc. Employee Stock Ownership Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

Effective August 18, 2022, Ulteig, Inc. (Company) was created as a holding company of Ulteig Engineers, Inc. and subsidiaries (Company). The name of the ESOP was amended to be the Ulteig, Inc. Employee Stock Ownership Plan from Ulteig Engineers, Inc. Employee Stock Ownership Plan as 100% of the issued and outstanding shares of common stock of Ulteig Engineers, Inc. was contributed to Ulteig, Inc as Ulteig Engineers, Inc. became a wholly-owned subsidiary of Ulteig, Inc. The Plan now owns 100% of the outstanding shares of common stock of Ulteig, Inc. (Company stock).

The Company established the Plan effective as of January 1, 2005. The Plan operates, in relevant part, as an 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 (Code) and is subject to the applicable provisions of the Employee Retirement Security Act of 1974, as amended (ERISA). The Plan is administered by the ESOP Administrative and Communications Committee of Ulteig, Inc., which serves at the discretion of the Company's Chief Executive Officer. The Trustee of the Plan is GreatBanc Trust Company, which was hired by the Board of Directors.

In prior years, the Plan purchased Company stock using the proceeds borrowed from the Company and held the stock in a trust established under the Plan. The borrowing has been repaid by fully deductible Company contributions to the trust fund. As the Plan made payments of principal, an appropriate percentage of stock was allocated to eligible employees' accounts in accordance with applicable regulations under the Code. All borrowings from the Company have since been paid in full and all shares of the Company stock have been released from collateral and allocated to the participants' accounts.

Eligibility

The Plan is a defined contribution plan covering all full-time and part-time employees of Ulteig, Inc. and its subsidiaries who have satisfied eligibility requirements, except employees who meet certain classifications as defined in the Plan agreement. Participants are required to meet 500 hours of service during the plan year and be employed at year-end to receive an employer contribution and allocation.

(continued)

ULTEIG, INC. EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 – DESCRIPTION OF THE PLAN (CONT.)

Payment of Benefits

No distributions from the Plan will be made until a participant retires, becomes disabled, dies (in which case, payment shall be made to his or her beneficiary or, if none, his or her legal representatives), otherwise terminates employment with the Company, reaches retirement age of 65 years old (normal retirement age), or reaches the age of 55 with at least 5 years of vesting service (early retirement age). Distributions are made in cash in an amount equal to the value of the participant's vested interest in his or her account in accordance with the Plan and may be paid over up to a five year period with the value of each distribution based upon the most recent appraised valuation. Due to extended payouts, there are shares that will be redeemed in future periods.

Under the provisions of the Plan, the Company is obligated to repurchase participant shares of Company stock which have been distributed under the terms of the Plan as long as the shares are not publicly traded or if the shares are subject to trading limitations. During 2022, the Company repurchased from participants and reallocated 3,211 shares of Company stock through segregation. During 2021, the Company repurchased from participants and reallocated 1,909 shares of Company stock through segregation.

Included in net assets available for benefits as of December 31, 2022 and 2021, is Company stock valued at \$19,590,634 and \$17,487,255, respectively, which represents the vested share portion of terminated participants' accounts.

Effective for distributions paid after December 31, 2016, the Plan was amended to allow for the accounts of terminated participants with vested balances that do not exceed \$5,000 to be distributed only in a lump sum payment in the plan year, after the plan year in which the participant terminated service without the consent of the participant. Participant consent is required for distributions of vested account balances in excess of \$5,000. Participant vested balances between \$1,000 and \$5,000 may be distributed without participant consent if the balance is transferred to an individual retirement account established for the participant. Distributions of participant accounts with vested balances that do not exceed \$1,000 do not require participant consent.

Voting Rights

Each participant is entitled to exercise certain limited pass through voting rights attributable to the shares of Company stock allocated to his or her account, such as certain major corporate issues such as merger and acquisition, liquidation or dissolution activities. Voting will be "passed through" to participants and beneficiaries of deceased participants based on the shares in their accounts, whether vested or not. On all other matters, the Trustee will vote the shares of Company stock at their discretion.

(continued)

**ULTEIG, INC. EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 – DESCRIPTION OF THE PLAN (CONT.)

Contributions and Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each Plan year, the Company determines whether to make a discretionary contribution. The discretionary contributions may be made in the form of cash or in the form of shares of Company stock. Each participant’s account is credited as of the last day of each Plan year with an allocation of shares of the Company stock released by the Trustee from Company contributions which are reallocated to active participants. Only those participants who are eligible and active employees of the Company as of the last day of the Plan year will receive an allocation. Allocations are based on a participant’s eligible compensation, relative to total eligible compensation for the Plan year. Employee contributions are not permitted.

Company contributions and Plan forfeitures are allocated to each participant’s account based upon the relation of the participant’s eligible compensation to total eligible compensation for the Plan year. Plan earnings are allocated to each participant’s account based on the ratio of the participant’s beginning of the year account balance to all participants’ beginning of the year account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.

Vesting

Participants employed by the Company on or after January 1, 2008 are 100% vested in the Plan. Previously, participants’ vesting was based on years of continuous service; a participant was 100% vested after six years of credited service. Effective January 2011, the Company amended the Plan to reinstate a 6 year vesting schedule for employees hired on or after January 27, 2011. Years of vesting service are Plan years in which a participant completes at least 1,000 hours of service. Participants are 100% vested (regardless of years of service) upon reaching early retirement (and continuing to work for the Company), normal retirement, disability, or death.

<u>Years Of Service</u>	<u>Vested Percentage</u>
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

(continued)

**ULTEIG, INC. EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 – DESCRIPTION OF THE PLAN (CONT.)

Put Option

Under Federal income tax regulations, the Company 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 common stock distributed to participants for which there is no market. The put price is representative of the current appraised value of the stock. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

Diversification

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company stock in investments which are more diversified. Participants who are at least age 55 with at least one year of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a ten-year period. In each of the first five years, a participant may diversify up to 25% of the number of shares allocated to his or her account, less any shares previously diversified. In the sixth year a participant may elect to diversify the investment of a cumulative 50% percent of their Company stock account. Participants who elect to diversify can direct the Plan to transfer the diversified amount into investments in their 401(k) Plan.

Forfeitures

Forfeitures of terminated non vested account balances allocated to remaining participants as of December 31, 2022 and 2021 total \$1,386,328 and \$234,267, respectively. There were no forfeited portions of terminated participants' accounts not yet allocated to active participant accounts as of December 31, 2022 and 2021.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accounting records of the Plan are maintained on the accrual method of accounting.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan Administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(continued)

ULTEIG, INC. EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Cash

Cash is the uninvested funds held in the Plan.

Investment Valuation and Income Recognition

The shares of the Company stock are reported at fair value on December 31, 2022 and 2021. Fair value is determined by annual independent appraisals. The Plan's investments in other publicly traded securities are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Net appreciation includes the gains and losses on investments (including Company stock) bought and sold as well as held during the year.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Operating Expenses

Administrative and investment expenses are paid out of the trust fund unless the Company pays them in its discretion. All expenses paid for by the Company are excluded from these financial statements. Substantially all expenses of maintaining the Plan are paid by the Company.

Subsequent Events

The Plan has evaluated subsequent events for recognition or disclosure through October 11, 2023, the date the financial statements were available to be issued.

**ULTEIG, INC. EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 3 – EMPLOYER CONTRIBUTION

The 2022 employer contribution was \$7,510,000 which consisted of \$2,140,465 that was accrued in 2022, paid in cash in 2023, \$4,917,133 of distribution payments, and 529.77 shares of Company stock contributed to the Plan totaling \$452,402.

The 2021 employer contribution was \$5,000,000 which consisted of \$1,303,448 that was accrued in 2021, paid in cash in 2022, \$2,155,817 of distribution payments, and 2,127 shares of Company stock contributed to the Plan totaling \$1,540,735.

NOTE 4 – FAIR VALUE MEASUREMENTS

The framework for measuring fair value 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) and lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under authoritative guidance are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual term), the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of an input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2022 and 2021.

(continued)

ULTEIG, INC. EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 4 – FAIR VALUE MEASUREMENTS (CONT.)

Investment in Company stock: independent valuation by third party establishes a per share value at year-end. This appraisal was based upon a combination of the market and income valuation techniques consistent with prior years. The appraiser took into account historical and projected cash flow and net income, return on assets, return on equity, market comparable and estimated fair value of the Company's assets and liabilities, all of which include unobservable inputs.

There are two relevant methods within the market approach: the guideline public company method and the merger and acquisition method. The guideline public company method determines value through a comparison to comparable publicly traded companies while the merger and acquisition method determines value through a comparison to companies acquired in a merger and acquisition transaction. Based on comparative analysis and supportable rationale, valuation multiples derived from the market comparables are applied to earnings or cash flow of the Company to develop an indication of the Company's enterprise value. The appraiser utilized both the guideline public company method and merger and acquisition method in their valuation of the Company's common stock.

In the discounted cash flow method, several years of projected cash flows are discounted to present value using a discount rate to compensate for the risk of attaining the projected cash flows. In general, the higher the risk of achieving the projected cash flows, the higher the discount rate, and vice versa. The discounted cash flow method is a multi-period income approach as it considers multiple years of earnings or cash flow. The appraiser utilized the discounted cash flow method in their valuation of the Company's common stock to understand the Company's potential future returns over a period of years to determine an accurate opinion of its current value.

The valuation process involves the selection of an appraiser under contract for a term of one year with the right to cancel such contract at any time. Company management accumulates the data for the appraiser from historical and projected financial information of the Company. The appraiser prepares a report of estimated per share value that a participant will receive upon distribution. The Company's Board of Directors and Plan's Trustee review and approve the report.

Mutual funds and exchange-traded funds: valued at the daily closing price as reported by the fund. The mutual funds and exchanged-traded funds held by the Plan are open-end funds that are registered with the U.S. Securities and Exchange Commission. The funds are required to publish daily net asset value (NAV) and to transact at that price. The funds held by the Plan are deemed to be actively traded. This is considered a level 1 input.

Money market fund: valued at the quoted NAV of shares held by the Plan at year end.

(continued)

ULTEIG, INC. EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 4 – FAIR VALUE MEASUREMENTS (CONT.)

The following table sets forth by level, within the fair value hierarchy, the Plan’s assets at fair value as of December 31:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
December 31, 2022				
Investment in Ulteig, Inc.				
Company stock	\$ -	\$ -	\$ 128,527,986	\$ 128,527,986
Fixed income mutual funds	1,716,761	-	-	1,716,761
Fixed income exchanged traded funds	52,696	-	-	52,696
Money market fund	4,922,403	-	-	4,922,403
Total assets at fair value	<u>\$ 6,691,860</u>	<u>\$ -</u>	<u>\$ 128,527,986</u>	<u>\$ 135,219,846</u>
December 31, 2021				
Investment in Ulteig Engineers, Inc.				
Company stock	\$ -	\$ -	\$ 108,639,878	\$ 108,639,878
Fixed income mutual funds	1,369,338	-	-	1,369,338
Fixed income exchanged traded funds	56,581	-	-	56,581
Money market fund	4,900,427	-	-	4,900,427
Total assets at fair value	<u>\$ 6,326,346</u>	<u>\$ -</u>	<u>\$ 108,639,878</u>	<u>\$ 114,966,224</u>

The table below sets forth a summary of changes in the fair value of the Plan’s level 3 assets for the years ended December 31:

	<u>Company Stock</u>
January 1, 2021	
Issuance of shares of Company stock	\$ 94,582,041
Unrealized gain relating to Company stock still held at the reporting date	1,540,735
	<u>12,517,102</u>
December 31, 2021	
	108,639,878
Issuance of shares of Company stock	452,402
Unrealized gain relating to Company stock still held at the reporting date	19,435,706
	<u>128,527,986</u>
December 31, 2022	
	<u>\$ 128,527,986</u>

**ULTEIG, INC. EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 4 – FAIR VALUE MEASUREMENTS (CONT.)

Gains (realized and unrealized) included in earnings for the years ended December 31, are reported as increases as follows:

	2022	2021
The amount of total gains for the years ended December 31 included in increase in net assets attributable to the change in unrealized gains relating to assets held at the reporting date and realized losses on investments sold during the year	\$ <u>19,379,527</u>	\$ <u>12,498,676</u>

NOTE 5 – INVESTMENT

The Plan’s investment in Company stock is as follows as of December 31:

	2022	2021
Number of shares	150,508	149,978
Cost	\$ 15,665,358	\$ 15,212,956
Market	\$ 128,527,986	\$ 108,639,878

NOTE 6 – PLAN TERMINATION

Although it has not expressed any intent to do so the Company reserves the right to terminate the Plan at any time, subject to the Plan 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 Code. Upon termination of the Plan, the Company shall direct the Trustee to pay all liabilities and expenses of the trust fund.

NOTE 7 – TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service dated July 13, 2017, stating that the Plan is qualified, under the Internal Revenue Code (IRC) and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Plan has been amended since receiving the determination letter. However, the Plan Administrator believes that the Plan is currently designed, and being operated, in compliance with the applicable requirements of the IRC. Therefore, they believe that the Plan is qualified, and the related trust is tax-exempt.

ULTEIG, INC. EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 7 – TAX STATUS (CONT.)

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by taxing authorities. The Plan Administrator has analyzed the tax position taken by the Plan, and has concluded that as of December 31, 2022 there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 8 – RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

The Plan invests in the Company stock, which qualifies as party-in-interest transactions.

The Plan's assets are held by the Trustee of the Plan. Company contributions are held and managed by the Trustee, which invests cash received, interest income and makes distributions to participants.

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Administrative expenses for the Trustee's fees are paid directly by the Company.

NOTE 9 – RISKS AND UNCERTAINTIES

The Plan's investments consist primarily of the Company 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/or other such techniques. Due to the level of risk associated with the investment in the common stock and due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes could materially affect participant account balances and the amounts reported in the statements of net assets available for benefits.

As of December 31, 2022 and 2021, the Plan had investments of \$128,527,986 and \$108,639,878, respectively, that were concentrated in Company stock.

ULTEIG, INC.

EMPLOYEE STOCK OWNERSHIP PLAN

**SUPPLEMENTAL INFORMATION
DECEMBER 31, 2022**

ULTEIG, INC. EMPLOYEE STOCK OWNERSHIP PLAN
EIN – 45-0220725
PLAN NUMBER – 003
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2022

(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
*	Ulteig, Inc. Common Stock	150,508.203 shs of Common Stock	\$ 15,665,358	\$ 128,527,986
	Baird Short-term Bond Inst	Mutual fund, dividends reinvested	405,164	386,040
	Baird Ultra Short Bond Fund	Mutual fund, dividends reinvested	898,364	895,441
	Vanguard Short Term Treasury Fund	Mutual fund, dividends reinvested	465,526	435,280
	Vanguard Short-term Bond ETF	Exchange traded fund, dividends reinvested	56,581	52,696
	Goldman Sachs Financial Square Government Institutional Fund	Money market fund, income reinvested	4,922,403	4,922,403

* Party-in-interest as defined by ERISA

ULTEIG, INC. EMPLOYEE STOCK OWNERSHIP PLAN
EIN – 45-0220725
PLAN NUMBER – 003
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2022

(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
*	Ulteig, Inc. Common Stock	150,508.203 shs of Common Stock	\$ 15,665,358	\$ 128,527,986
	Baird Short-term Bond Inst	Mutual fund, dividends reinvested	405,164	386,040
	Baird Ultra Short Bond Fund	Mutual fund, dividends reinvested	898,364	895,441
	Vanguard Short Term Treasury Fund	Mutual fund, dividends reinvested	465,526	435,280
	Vanguard Short-term Bond ETF	Exchange traded fund, dividends reinvested	56,581	52,696
	Goldman Sachs Financial Square Government Institutional Fund	Money market fund, income reinvested	4,922,403	4,922,403

* Party-in-interest as defined by ERISA