

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
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Part I	Annual Report Identification Information
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>	
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.) ☒ 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:	☒ 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>ZANDEX EMPLOYEE STOCK OWNERSHIP PLAN</u>	1b Three-digit plan number (PN) ▶	<u>001</u>
1c Effective date of plan <u>12/24/1980</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>ZANDEX, INC.</u> <u>1122 TAYLOR ST.</u> <u>ZANESVILLE, OH 43701-2658</u>	2b Employer Identification Number (EIN) <u>31-6086342</u>	2c Plan Sponsor's telephone number <u>740-454-1400</u>
	2d Business code (see instructions) <u>623000</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	Filed with authorized/valid electronic signature.	12/13/2023	LYLE CLARK
	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

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3a Plan administrator's name and address ☒ 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 1429
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) 0 6a(2) 0 6b 0 6c 1429 6d 1429 6e 0 6f 1429 6g 1429 6h 0
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: 21 20 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) ☒ 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) ☒ 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) ☒ 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) ☒ 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 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 <u>01/01/2022</u> and ending <u>12/31/2022</u>		
A Name of plan <u>ZANDEX EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ZANDEX, INC.</u>	D Employer Identification Number (EIN) <u>31-6086342</u>	

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)	0	2088
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	0	0
(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)	0	0
(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)	640440	623000
(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)	831995	847479
(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	1472435	1472567

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
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	1472435	1472567
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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)	636532	
(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)		636532
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(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)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	10832	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		10832
(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)	0	
(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)	15484	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		15484

		(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		662848
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	662716	
(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)		662716
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		0
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		662716
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		132
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: **PW PARTNERS, LLC**

(2) EIN: **83-3323563**

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?	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?		X	
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.)	X		
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 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 ZANDEX EMPLOYEE STOCK OWNERSHIP PLAN		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 ZANDEX, INC.		D Employer Identification Number (EIN) 31-6086342
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): 36-3681493		
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
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Schedule R (Form 5500) 2022 v. 220413		

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: ☐ 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
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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 _____

ZANDEX
EMPLOYEE STOCK OWNERSHIP PLAN
FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION
December 31, 2022 and 2021

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Independent Auditors' Report

To the Plan Committee
Zandex ESOP Plan
Zanesville, Ohio

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed an audit of the financial statements of Zandex Employee Stock Ownership Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements 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.

Management, having determined it is permissible in the circumstances, has elected to have the audit of Zandex Employee Stock Ownership Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the years ended December 31, 2022 and 2021, stating that the certified investment information, as described in the Certified Investment Information footnote to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section—

- the amounts and disclosures in the financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audit 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 Zandex Employee Stock Ownership Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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 Zandex Employee Stock Ownership 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, 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, including omissions, 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 Zandex Employee Stock Ownership 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 Zandex Employee Stock Ownership Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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

The supplemental schedule of Schedule H, Line 4i - Schedule of Assets (Held at End of Year) 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 included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit 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. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, 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 form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Emphasis of Matter – Plan Termination and Use of Liquidation Basis of Accounting

As further discussed in the notes to the financial statements, the Board of Directors of Zandex made a decision to terminate the Plan and determined that liquidation is imminent. As a result, in accordance with accounting principles generally accepted in the United States of America, the Plan has changed its basis of accounting from the ongoing basis of accounting used in presenting the 2018 financial statements to the liquidation basis of accounting used in presenting the 2022 and 2021 financial statements. Our opinion is not modified with respect to this matter. The Plan is in the process of liquidating and all assets of the trust are expected to be liquidated on or before December 31, 2023.

A handwritten signature in dark ink that reads "Pw Partners, LLC". The "Pw" is written in a large, stylized cursive font, followed by "Partners, LLC" in a smaller, more legible cursive script.

Columbus, Ohio
November 30, 2023

ZANDEX EMPLOYEE STOCK OWNERSHIP PLAN

Statements of Net Assets Available for Benefits

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	<u>\$ 623,000</u>	<u>\$ 640,440</u>
Investments, at fair value	<u>847,479</u>	<u>831,995</u>
Total investments at fair value:	<u>847,479</u>	<u>831,995</u>
Receivables:		
Accrued interest receivable	<u>2,088</u>	<u>-</u>
Total receivables	<u>2,088</u>	<u>-</u>
Total Assets at Fair Value	<u>1,472,567</u>	<u>1,472,435</u>
 NET ASSETS AVAILABLE FOR BENEFITS	 <u><u>\$ 1,472,567</u></u>	 <u><u>\$ 1,472,435</u></u>

The accompanying notes are an integral part of the financial statements.

ZANDEX EMPLOYEE STOCK OWNERSHIP PLAN

Statements of Changes in Net Assets Available for Benefits

For the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Additions to Net Assets Attributed to:		
Interest and dividends	\$ 10,832	\$ 91
Net appreciation in fair value of investments	<u>15,484</u>	<u>-</u>
Total investment loss	<u>26,316</u>	<u>91</u>
Employer's contributions	<u>636,532</u>	<u>1,273,062</u>
Total contributions	<u>636,532</u>	<u>1,273,062</u>
Total additions	<u>662,848</u>	<u>1,273,153</u>
Deductions from Net Assets Attributed to:		
Net depreciation in fair value of investments	-	1,345,069
Benefits paid to participants	<u>662,716</u>	<u>1,137,751</u>
Total deductions	<u>662,716</u>	<u>2,482,820</u>
Net increase / (decrease)	132	(1,209,667)
Net Assets Available for Benefits:		
Beginning of Year	<u>1,472,435</u>	<u>2,682,102</u>
End of Year	<u>\$ 1,472,567</u>	<u>\$ 1,472,435</u>

The accompanying notes are an integral part of the financial statements.

ZANDEX EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2022 and 2021

Plan Description

The following description of Zandex (the Company) Employee Stock Ownership Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a Company sponsored retirement plan for all eligible employees. Based on Company profitability and corporate-financial objectives, the Company makes contributions of cash, company stock, or marketable securities to the Plan. The contributions to the Plan are invested for the exclusive benefit of Plan participants. Because the Plan is an employee stock ownership plan (ESOP), the Plan assets are intended to be invested in the stock of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

On December 31, 2018, the Company sold substantially all of its assets to CHS Realty Holdings LLC. As a result of the sale, the board of directors has elected to terminate the ESOP including (without limitation): (i) to retain and compensate service providers to assist in winding down the ESOP; (ii) to prepare and distribute the appropriate employee communication materials informing participants of the termination of the ESOP; (iii) upon receipt of a favorable determination letter from the IRS, to direct the trustee and third-party administrator of the ESOP to make any and all arrangements for distributions to participants in the ESOP. In accordance with the sale agreement, \$4.0 million was placed in an escrow account. The escrow shall be held by the title company for a period of 36 months following the closing date. The Company has the right to receive a release of a portion of the escrow in the amount of \$666,666 on each six-month anniversary following the closing date until the escrow, or any remaining portion thereof, is released to the sellers. As of the December 31, 2021, the escrow account has been fully distributed.

As a result of the sale, the Company terminated all employees on December 27, 2018. No new participants have been admitted to the Plan after that date. All participants have become 100% vested in their current account balances. Company contributions will be made, and earnings allocated in proportion to the participants' account balances. Funds will be distributed when contributions have been made in accordance with the sales agreement.

Eligibility

Prior to the sale of the Company any employee age 18 or over with one year of service was eligible to enter the Plan. To be eligible for a contribution, a participant must have worked for the Company a minimum of 1,000 hours during the Plan year and must also be employed by the Company on the last day of the Plan year. As of January 1, 2019, no new employees will be eligible to participate in the Plan.

ZANDEX EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2022 and 2021

Plan Description (continued)

Contributions

Prior to the sale of the Company, contributions were made to the Plan by the Company. Employee contributions are not permitted. No salary deduction is made for contributions. Contributions are not automatic and are not guaranteed. Contributions are allocated based upon the ratio of participant's wages to the wages of all other participants who also qualify for a contribution. As of January 1, 2019, contributions are made as funds are distributed in accordance with the sale agreement and are allocated in accordance with participants' account balances.

Participant Accounts

There are several types of accounts that a participant may have in the Plan: Stock Accounts, Investment Accounts, and Diversification Accounts. Shares of the Company stock that have been allocated to participants are kept in the Stock Accounts. As the Company is privately held, the value of the stock is determined by an independent valuation each year. The Investment Account may be invested in cash, money market accounts, stocks and bonds, or governmental securities. The Diversification Account provides for at least three options that the participant may, but is not required to, invest a portion of their account balance after the participant has been in the Plan for 10 years, has attained the age of 55, and has a total account balance of at least \$500. The portion of the account that may be diversified remains at 25% of the Stock Account as of the end of the preceding Plan year until the sixth and final year of diversification when up to 50% of the Stock Account may be diversified.

To the extent that there is cash available in the accounts of employee participants, the Company stock in the accounts of non-employee participants will be transferred to the accounts of employee participants who were employed on the last day of the previous Plan year. The cash value of the shares transferred, as established by the independent valuation of Company shares at the end of the previous Plan year, is transferred from the accounts of those employee participants who receive the transferred shares to the account of those from whom the shares were transferred.

Payment of Benefits

Prior to the sale of the Company, unless the participant elects otherwise, Plan benefits are distributed in the form of an annuity. Participants are given the opportunity to elect a lump sum distribution rather than an annuity. When a lump sum distribution is elected, the ESOP Committee makes an initial determination of the method for the Plan benefit distribution. The Committee may determine that the distribution will be made in cash, Company stock, or a combination of the two. If the Committee determines that the distribution will be in Company stock, the participant has the right to sell the shares to the Company as explained in the Put Option provision of the Plan document. If the Committee determines that the distribution will be in cash, the participant has the right to have the distribution in Company stock.

ZANDEX EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2022 and 2021

Plan Description (continued)

As a result of the sale agreement, payment of benefits will be directed by the Plan Committee as contributions are received from the escrow. Participants will receive lump sum payments and have the option to receive the cash directly or roll the amount to another qualified plan or individual retirement account. The Plan Committee authorized and distributed payments of \$300 per share during 2019, \$200 per share for 2020 and 2021, and \$100 per share for 2022, full distribution of cash balance of participant stock accounts. During 2023, the final distribution of \$133.14 per share was distributed to participants.

Vesting

A participant's interest in the contributions the employer makes to the Plan became 100% vested upon the decision to terminate the Plan.

Forfeitures

Portions of a participant's account that are not vested are forfeited after the distribution of the account. In addition, if a participant has five Plan years in a row where they work less than 500 hours, the portions of their account that are not vested are forfeited.

Forfeitures shall be applied first to reduce Company contributions for the Plan year and then are redistributed to other eligible participants of the Plan in the same manner contributions are allocated. To be eligible for the allocation of forfeitures, a participant must have worked at least 1,000 hours during the Plan year and must still be employed on the last day of the Plan year.

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 limitation, 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 fair market value of the stock. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

Voting Rights

All shares of Company stock held in the Plan shall be voted by the trustee at such time and in such manner as the ESOP Committee shall direct. If the ESOP Committee shall fail or refuse to give the trustee timely instructions as to how to vote any Company stock which the trustee otherwise has the right to vote, the trustee shall not exercise its power to vote such Company stock. However, as to any matter concerning corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all assets of a trade or business, or such similar transaction, participants will have the right to direct the trustee as to voting of any Company stock allocated to their Company stock accounts.

Administrative Expenses

As provided in the Plan agreement, administrative expenses may be paid either by the Plan or by the Company. The Company has historically paid the operating expenses for the Plan.

Notes to Financial Statements

December 31, 2022 and 2021

Summary of Significant Accounting Principles

Basis of Accounting

The financial statements of the Plan are prepared on the liquidation basis of accounting.

Cash

Cash in bank checking accounts, money market accounts, and certificates of deposit are considered to be cash equivalents.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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.

Risks and Uncertainties

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

Investment Valuation and Income Recognition

The shares of Company common stock are valued at fair value. Dividend income is accrued on the ex-dividend date.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported on the average cost method. Net depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Benefit Payments

Benefit payments are recorded when paid. Under the provisions of the Plan, the Plan Sponsor 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.

New Accounting Pronouncements

Management is not aware of any new accounting pronouncements that have been released, and are not yet effective, which will have a significant impact to its financial position or results of operations in future periods.

ZANDEX EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2022 and 2021

Investments

The Plan's investments are as follows at December 31:

	2022		2021	
	Allocated	Unallocated	Allocated	Unallocated
Sponsor Company Common Stock:				
Number of Shares	6,365	-	6,365	-
Cost	\$ 5,794,559	\$ -	\$ 5,794,559	\$ -
Fair Value	\$ 847,479	\$ -	\$ 831,995	\$ -

Fair Value Measurements

In accordance with U.S. generally accepted accounting principles, the Plan utilizes a fair value hierarchy that prioritizes the inputs for the 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 the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.
- Level 2: Inputs to the valuation methodology include:
- 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 or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of 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 at December 31, 2022 and 2021:

ZANDEX EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2022 and 2021

Fair Value Measurements (continued)

Zandex, Inc. common stock: The Sponsor Company common stock held by the Plan is valued at fair value based on an independent appraisal. The appraiser used an asset approach based on the value of the underlying assets of the entity less the value of any related liabilities. This method is most relevant when valuing investments or companies that serve as holding companies for various investments. Zandex assets include cash, accounts receivable, and land as of the valuation date. Zandex liabilities consist of accounts payable and workers compensation liability.

The valuation process involves Plan management's selection of an independent appraiser under contract. Plan management accumulates the data for the appraiser from the audited financial statements of the Company. The appraiser prepares a preliminary report which Plan management, along with the ESOP trustee, reviews in detail, discusses, and approves.

The Company sold the Military Rd. property on July 29, 2021, for approximately \$163,000 less than the value that was used in the independent appraisal. That was used to value the stock for the year ended December 31, 2020. If the final sale price was used in the independent appraisal, the stock price would be approximately \$14 per share less than what was used in the financial statements, or approximately \$89,000. The investment in Zandex stock would have been approximately \$2,088,000 versus \$2,177,067 that was reflected in the statement of net assets available for benefits. Additionally, the net depreciation in fair value of assets on the statement of changes in net assets available for benefits would have reflected approximately \$1,064,000 versus \$974,528.

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

ZANDEX EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2022 and 2021

Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2022 and 2021:

	Investments at Estimated Fair Value			
	Level 1	Level 2	Level 3	Total
December 31, 2022				
Zandex, Inc. common stock	\$ -	\$ -	\$ 847,479	\$ 847,479
December 31, 2021				
Zandex, Inc. common stock	\$ -	\$ -	\$ 831,995	\$ 831,995

Level 3 Reconciliation

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying statements of net assets available for benefits using significant unobservable (Level 3) inputs for the years ended December 31, 2022 and 2021:

	<u>Zandex, Inc. Common Stock</u>
Balance, December 31, 2021	\$ 831,995
Unrealized gain relating to instruments still held at reporting date	<u>15,484</u>
Balance, December 31, 2022	<u><u>\$ 847,479</u></u>

Quantitative Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements

The following table represents the Plan's level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, and the significant unobservable inputs and the ranges of values for those inputs.

<u>Instrument</u>	<u>Fair Value</u>	<u>Principal Valuation Technique</u>	<u>Unobservable Inputs</u>
Zandex, Inc. common stock	\$ 847,479	Capitalized cash flow	Capitalization factor Control premium Marketability discount

Notes to Financial Statements

December 31, 2022 and 2021

Information Prepared and Certified by Trustee

The Plan management has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, GreatBanc Trust Company, the trustee, has certified to the completeness and accuracy of all investments reflected on the accompanying statements of net assets available for benefits as of December 31, 2022 and 2021 and the supplemental schedule of assets (held at end of year) as of December 31, 2022; the related investment activity reflected in the statements of changes in net assets available for benefits for the years ended December 31, 2022 and 2021.

Related Party Transactions

The Plan invests in the Company's common stock. This is a related party and party-in-interest transaction. The Plan has a number of service providers. Such parties are parties-in-interest as defined by ERISA.

Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated May 8, 2014, that the Plan is qualified and the trust established under the Plan is tax-exempt, under the appropriate sections of the Internal Revenue Code. Therefore, the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

On April 20, 2020, the Internal Revenue Service provided a favorable determination letter that the termination of the Plan did not affect the Plan's qualified tax status.

Plan Termination

Upon termination of the Plan, the Plan administrator directs the trustee to pay all liabilities and expenses of the ESOP and to sell shares of common stock. Subsequently, 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. The Company has elected to terminate the Plan therefore all participants are 100% vested at December 31, 2019.

Subsequent Events

The Plan evaluated subsequent events through November 30, 2023, the date the financial statements were issued. The Plan Committee authorized and paid \$133.14 per share of participant stock accounts, which amounted to approximately \$847,000 in November and December of 2023.

ZANDEX EMPLOYEE STOCK OWNERSHIP PLAN

EIN: #31-6086342 PLAN: #001

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2022

	Identity of Issue, Borrower, (a) (b) Lessor or Similar Party	Description of (c) Investment	(d) Cost	Current (e) Value
	Goldman Sachs Fin Sq Govt Fd	Money Market	\$ 623,000	\$ 623,000
*	Zandex Common Stock	Employer Stock	5,794,559	847,479
			<u>\$ 6,417,559</u>	<u>\$ 1,470,479</u>

* Denotes parties-in-interest

The accompanying notes are an integral part of the financial statements.

ZANDEX EMPLOYEE STOCK OWNERSHIP PLAN

EIN: #31-6086342 PLAN: #001

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2022

(a)	Identity of Issue, Borrower, (b) Lessor or Similar Party	Description of (c) Investment	(d) Cost	Current (e) Value
	Goldman Sachs Fin Sq Govt Fd	Money Market	\$ 623,000	\$ 623,000
*	Zandex Common Stock	Employer Stock	5,794,559	847,479
			<u>\$ 6,417,559</u>	<u>\$ 1,470,479</u>

* Denotes parties-in-interest

The accompanying notes are an integral part of the financial statements.