

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 2023 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023	
A	This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____ ☐ 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 GENERANT COMPANY, INC. EMPLOYEE STOCK OWNERSHIP PLAN
1b	Three-digit plan number (PN) ▶ 002
1c	Effective date of plan 01/01/2006
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) GENERANT COMPANY, INC. 1865 ROUTE 23 SOUTH BUTLER, NJ 07405
2b	Employer Identification Number (EIN) 22-1730345
2c	Plan Sponsor's telephone number 973-838-6500
2d	Business code (see instructions) 332700

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.	10/15/2024	BENJAMIN BUREN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2024	BENJAMIN BUREN
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☒ 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	5 227
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(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) 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) 210 6a(2) 180 6b 0 6c 21 6d 201 6e 1 6f 202 6g(1) 206 6g(2) 200 6h 22
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 2P 2Q 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) ☐ 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
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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
- (4) ☐ **DCG** (Individual Plan Information) – Number Attached 0
- (5) ☐ **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information) – Number Attached _____
- (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 2023 Form M-1 annual report. If the plan was not required to file the 2023 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 C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2023
		This Form is Open to Public Inspection.

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

A Name of plan GENERANT COMPANY, INC. EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 GENERANT COMPANY, INC.	D Employer Identification Number (EIN) 22-1730345

Part I

Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1

Information on Persons Receiving Only Eligible Indirect Compensation

- a

 Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..

Yes

x

 No
- b

 If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PRINCIPAL FINANCIAL GROUP

42-0127290

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
24 64	TRUSTEE		Yes ☒ No ☐	Yes ☒ No ☐	1900	Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

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
		2023
		This Form is Open to Public Inspection

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan GENERANT COMPANY, INC. EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 GENERANT COMPANY, INC.		
		D Employer Identification Number (EIN) 22-1730345

Part I	Asset and Liability Statement
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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	284804	41769
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	748595	735538
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	739	739
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	106822	120940
(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)	27172855	31121244
(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	28313815	32020230
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h	2200	2787
i Acquisition indebtedness	1i	9321223	8808166
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	9323423	8810953
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	18990392	23209277

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)	735538	
(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)		735538
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	5357432	
(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)		14118
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		6107088

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1650765	
(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)		1650765
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		235538
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Recordkeeping fees.....	2i(3)	1900	
(4) IQPA audit fees.....	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)		
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		1900
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1888203

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		4218885
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: **CLIFTONLARSONALLEN LLP**

(2) EIN: **41-0746749**

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) ☐ This form is filed for a CCT, PSA, DCG 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. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		☒	
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.)		☒	
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.)		☒	
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.)		☒	
e Was this plan covered by a fidelity bond?	☒		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?		☒	
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?		☒	
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?		☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	☒		
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.)	☒		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		☒	
l Has the plan failed to provide any benefit when due under the plan?		☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		☒	
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.			

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 2023 This Form is Open to Public Inspection.	
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023					
A Name of plan GENERANT COMPANY, INC. EMPLOYEE STOCK OWNERSHIP PLAN				B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 GENERANT COMPANY, INC.				D Employer Identification Number (EIN) 22-1730345	
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): 20-8831688					
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					
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.				Schedule R (Form 5500) 2023 v. 230707	

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) 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) 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)	14a 14b 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 b The corresponding number for the second preceding plan year	15a 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 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	16a 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) and (b): a Enter the percentage of plan assets held as: Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____% High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____% b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets: ☐ 0-5 years ☐ 5-10 years ☐ 10-15 years ☐ 15 years or more	
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: _____	

Part VII	IRS Compliance Questions
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21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? ☐ Yes ☒ No 21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2). ☐ Design-based safe harbor method ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A	
22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter ____/____/____ (MM/DD/YYYY) and the Opinion Letter serial number _____.	

**GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

**FINANCIAL STATEMENTS AND
ERISA-REQUIRED SUPPLEMENTAL SCHEDULES**

**AS OF DECEMBER 31, 2023 AND 2022,
AND FOR THE YEAR ENDED DECEMBER 31, 2023**



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**GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
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AS OF DECEMBER 31, 2023 AND 2022,
AND FOR THE YEAR ENDED DECEMBER 31, 2023**

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INDEPENDENT AUDITORS' REPORT

Administrative Committee
Generant Company, Inc. Employee Stock Ownership Plan
Butler, New Jersey

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Generant Company, Inc. Employee Stock Ownership Plan (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, 2023 and 2022, and the related statement of changes in net assets available for benefits for the year ended December 31, 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Generant Company, Inc. Employee Stock Ownership Plan as of December 31, 2023 and 2022, and the changes in its net assets available for benefits for the year ended December 31, 2023, 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. 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 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 the 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 that 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 generally accepted auditing standards 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 generally accepted auditing standards, we:

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

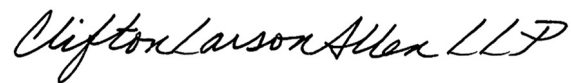
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Schedules Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedule H, Line 4i—schedule of assets (held at end of year) as of December 31, 2023, and schedule H, Line 4j—schedule of reportable transactions for the year ended December 31, 2023, are presented for the purpose of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's *Rules and Regulations for Reporting and Disclosure* under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

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

In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the financial statements taken as a whole, and the form and content are presented in conformity with the Department of Labor's *Rules and Regulations for Reporting and Disclosure* under ERISA.



CliftonLarsonAllen LLP

Livingston, New Jersey
October 4, 2024

**GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2023 AND 2022**

	2023			2022		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ASSETS						
INVESTMENTS (AT ESTIMATED FAIR VALUE)						
Generant Company Inc.						
Common Stock	\$ 20,865,980	\$ 10,255,264	\$ 31,121,244	\$ 18,056,713	\$ 9,116,142	\$ 27,172,855
Mutual Funds	120,940	-	120,940	106,822	-	106,822
Total Investments	20,986,920	10,255,264	31,242,184	18,163,535	9,116,142	27,279,677
CASH	41,769	-	41,769	284,804	-	284,804
RECEIVABLES						
Other Income	739	-	739	739	-	739
Employer Contribution	-	735,538	735,538	-	748,595	748,595
Total Receivables	739	735,538	736,277	739	748,595	749,334
LIABILITIES						
Loan Payable - Plan Sponsor	-	8,572,628	8,572,628	-	9,072,628	9,072,628
Accrued Interest	-	235,538	235,538	-	248,595	248,595
Accrued Fees	2,787	-	2,787	2,200	-	2,200
Total Liabilities	2,787	8,808,166	8,810,953	2,200	9,321,223	9,323,423
NET ASSETS AVAILABLE FOR PLAN BENEFITS	<u>\$ 21,026,641</u>	<u>\$ 2,182,636</u>	<u>\$ 23,209,277</u>	<u>\$ 18,446,878</u>	<u>\$ 543,514</u>	<u>\$ 18,990,392</u>

See accompanying Notes to Financial Statements.

GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2023

	2023		
	Allocated	Unallocated	Total
ADDITIONS:			
Net Appreciation in Estimated Fair Value of Company Common Stock	\$ 3,461,785	\$ 1,895,647	\$ 5,357,432
Net Appreciation in Mutual Funds	14,118	-	14,118
Employer Contribution	-	735,538	735,538
Allocation of 2,233			
Shares of Employer Common Stock at December 31, 2023 at Estimated Fair Value	756,525		756,525
Total Additions	<u>4,232,428</u>	<u>2,631,185</u>	<u>6,863,613</u>
DEDUCTIONS:			
Distributions to Participants	1,650,765	-	1,650,765
Interest Expense	-	235,538	235,538
Allocation of 2,233			
Shares of Employer Common Stock at December 31, 2023 at Estimated Fair Value	-	756,525	756,525
Investment Fees	1,900	-	1,900
Total Deductions	<u>1,652,665</u>	<u>992,063</u>	<u>2,644,728</u>
NET INCREASE	2,579,763	1,639,122	4,218,885
NET ASSETS AVAILABLE FOR BENEFITS:			
Beginning of Year	<u>18,446,878</u>	<u>543,514</u>	<u>18,990,392</u>
End of Year	<u>\$ 21,026,641</u>	<u>\$ 2,182,636</u>	<u>\$ 23,209,277</u>

See accompanying Notes to Financial Statements.

**GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 DESCRIPTION OF PLAN

The following brief description of the Generant Company, Inc. Employee Stock Ownership Plan (Plan) is provided for general information purposes only. Participants should refer to the Plan Agreement for complete information.

General

Generant Company, Inc. (Company), established the Plan effective January 1, 2006. As of January 1, 2007, the Plan was amended and operates, in relevant part, as a leveraged employee stock ownership plan (ESOP) and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (IRC) and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is administered by McCready and Keene, an independent third-party. The Plan's trustee is Michael Miller, CPA (Trustee), an independent third-party fiduciary.

On May 23, 2007, the Plan purchased 40,000 shares of Class A voting stock from the Company in exchange for a promissory note of \$9,500,000 and holds the stock in a trust established under the Plan. As the Plan made each payment of principal and interest, an appropriate percentage of stock was allocated to eligible participants' accounts in accordance with applicable regulations under the IRC. This loan was paid off on December 1, 2008.

On December 31, 2014, the Plan purchased 60,000 shares of Class A voting stock from the Company in exchange for a promissory note of \$15,000,000 and holds the stock in a trust established under the Plan. The principal sum plus accrued interest thereon is paid in 30 consecutive annual installments, beginning on September 1, 2015. As the Plan makes each payment of principal and interest, an appropriate percentage of stock is allocated to eligible participants' accounts in accordance with the applicable regulations under the IRC. Shares vest upon allocation based on the schedule discussed in Note 1.

The borrowing is collateralized by the unallocated shares of stock. The lender has no rights against shares of stock once they are allocated under the provisions of the ESOP. Accordingly, the financial statements of the Plan as of December 31, 2023 and 2022, and for the year ended December 31, 2023, present separately the assets and liabilities and changes therein pertaining to:

- a. The accounts of employees with vested rights in allocated stock (Allocated), and
- b. Stock not yet allocated to employees (Unallocated).

Eligibility

All employees employed by the Company during the 2006 Plan year with at least one hour of employment became a participant on the latter of their hire date or January 1, 2006. Commencing January 1, 2007, employees of the Company are generally eligible to participate in the Plan, provided they work at least 1,000 hours during such Plan year and are employed on the last day of the Plan year.

**GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 DESCRIPTION OF PLAN (CONTINUED)

Employer Contributions

The Company is obligated to make contributions in cash to the Plan that, when aggregated with the Plan's dividends and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loan.

Payment of Benefits

Participants are eligible to receive benefits upon retirement, death, disability, or termination of employment as specified in the Plan. The normal form of distribution of the vested value of a participant's account shall be made in substantially equal installments over a period of five years. Since the Company is an S corporation, generally all distributions are made in cash.

Under provisions of the Plan, the Company has the right of first refusal to repurchase participant-offered shares at fair market value that have been distributed under the terms of the Plan, as long as the shares are not publicly traded. During 2023, the Company repurchased from participants 5,024 shares at prices determined from the independent appraisal.

Voting Rights

Each participant or beneficiary is entitled to exercise voting rights attributable to the shares allocated to their account with respect to the approval or disapproval of any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all assets of a trade or business, or such similar transaction as may be prescribed in applicable regulations. In the event that any participant or beneficiary does not exercise their right to direct such voting, then with regard to the shares allocated to their accounts, the Trustee shall direct the voting of such shares in its sole discretion. Likewise, the Trustee is to direct the voting of any unallocated shares at its sole discretion.

Plan Termination

The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon such termination of the Plan, participants in the Plan will be 100% vested in the Plan, and the trust fund will be distributed to such participant or beneficiary at the time prescribed by the Plan terms and the IRC. Upon termination of the Plan, the Plan administrator shall direct the Trustee to pay all liabilities and expenses of the trust fund and to sell shares of financed stock held in the loan suspense account to the extent it determines such sale to be necessary in order to repay the loan.

**GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 DESCRIPTION OF PLAN (CONTINUED)

Participant Accounts

The Plan is a defined-contribution plan under which a separate, individual account is established for each participant. Each participant's account is credited as of the last day of each Plan year with an allocation of shares of the Company common stock released by the Trustee from the unallocated account and forfeitures of terminated participants' nonvested accounts. Only those participants who are eligible 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. 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 by the participant's account.

Vesting

If a participant's employment with the Company ends for any reason other than retirement, permanent disability, or death, they will vest in the balance in their account based on total years of service with the Company. Participants vest 20% per year of service after completing two years of service and are 100% vested after six years of service. No vesting service shall be credited for service prior to January 1, 2006.

Put Option

Under federal income tax regulations, the employer stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any share 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 Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

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 common stock into investments that are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25% of the number of post-1986 shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. Participants who elect to diversify receive a cash distribution. During the year ended December 31, 2023, eligible participants elected to diversify \$131,424 of their account balances. The amount diversified is reflected in distributions on the statement of changes in net assets available for benefits for the year ended December 31, 2023.

**GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 DESCRIPTION OF PLAN (CONTINUED)

Forfeitures

Employer contributions and Plan forfeitures are allocated to each participant's account based upon the relation of the participant's compensation to total compensation for the Plan year. Forfeitures of terminated, nonvested account balances were allocated to remaining participants at the end of the year. Forfeitures allocated at December 31, 2023 and 2022, totaled \$111,219 and \$75,825, respectively. The balance of the forfeiture account was \$-0- at December 31, 2023 and 2022.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements on the modified cash basis of accounting requires the Plan administrator 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.

Subsequent Events

The Plan has evaluated its subsequent events and transactions occurring after December 31, 2023 through October 4, 2024, the date that the financial statements were available to be issued.

Investment Valuation and Income Recognition

Investments in mutual funds are reported at fair value and investment in Company common stock is reported at estimated fair value based on an independent third-party appraisal. 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. Dividends are recorded on the ex-dividend date. Realized gains and losses from security transactions are reported on the average cost method. Net appreciation includes the Plan's gains and losses on investments bought and sold, as well as held, during the year.

**GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Benefit Payments

Benefit payments are recorded when paid.

Operating Expenses

All expenses of maintaining the Plan, except for recordkeeping fees, are paid by the Company and are excluded from the Plan's financial statements.

NOTE 3 INVESTMENTS

The Plan's investment in Company securities consists of 91,863 shares of the outstanding common stock of Generant Company, Inc. The shares were acquired on December 31, 2014 and May 23, 2007 for \$250.00 and \$237.50 per share, respectively, which was the estimated fair market value as determined by independent appraisals. The estimated fair market value as determined by independent appraisals as of December 31, 2023 and 2022 was \$338.78 and \$280.46 per share, respectively.

During 2023, 2,233 shares were released and allocated to participants. The Plan's investments at December 31 are presented in the following table:

	2023		2022	
	Allocated	Unallocated	Allocated	Unallocated
Generant Company, Inc. Number of Shares	61,592	30,271	64,383	32,504
Cost	\$ 15,090,040	\$ 7,416,395	\$ 15,773,835	\$ 7,963,480
Estimated Fair Value	\$ 20,865,980	\$ 10,255,264	\$ 18,056,713	\$ 9,116,142

NOTE 4 FAIR VALUE MEASUREMENTS

Fair value measurements establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy 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.

**GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

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; and
- 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 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:

Mutual Funds – Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded. (Level 1).

Company Common Stock – The fair value of the Company common stock is based upon an annual, independent, third-party appraisal, as there is no established market for this stock. Pace Financial Group performed appraisals as of December 31, 2023 and 2022. The appraisals were based upon the discounted future income method 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 Company assets and liabilities. The appraised value is discounted to reflect marketability of the Company stock. (Level 3).

There have been no changes in the methodologies used at December 31, 2023 and 2022.

The Administrative Committee, under the supervision of the Company's Board of Directors, determines the fair value measurement policies and procedures. These policies and procedures are reassessed at least annually to determine if the current valuation techniques are still appropriate. At that time, the unobservable inputs used in the fair value measurements are evaluated and adjusted, as necessary, based on current market conditions and other third-party information.

**GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

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

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2023 and 2022:

2023				
	Level 1	Level 2	Level 3	Total
Company Common Stock	\$ -	\$ -	\$ 31,121,244	\$ 31,121,244
Mutual Funds	120,940	-	-	120,940
Total Investments at Fair Value	<u>\$ 120,940</u>	<u>\$ -</u>	<u>\$ 31,121,244</u>	<u>\$ 31,242,184</u>

2022				
	Level 1	Level 2	Level 3	Total
Company Common Stock	\$ -	\$ -	\$ 27,172,855	\$ 27,172,855
Mutual Funds	106,822	-	-	106,822
Total Investments at Fair Value	<u>\$ 106,822</u>	<u>\$ -</u>	<u>\$ 27,172,855</u>	<u>\$ 27,279,677</u>

The Plan's policy is to recognize transfers into and out of Level 3 as of the date of the event or change in circumstance that caused the transfer. There were no purchases, issuances, or transfers of the Level 3 investments during the year ended December 31, 2023.

NOTE 5 TAX STATUS

The Internal Revenue Service (IRS) has determined, and informed the Company by a letter dated April 3, 2017, that the Plan, as designed, is in compliance with the applicable requirements of the IRC. The Plan administrator believes that the Plan is currently designed, and being operated, in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan is qualified, and the related trust is tax-exempt.

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 position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that, as of December 31, 2023 and 2022, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions. Refer to Note 9 for discussion on the status of IRS examinations.

**GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 5 TAX STATUS (CONTINUED)

Subsequent to December 31, 2023, the Plan's Trustees and Plan Sponsor received notice from the DOL of an investigation regarding Plan transactions and compliance with ERISA. As of October 4, 2024, the investigation is still pending, and no judgment has occurred.

NOTE 6 ADMINISTRATION OF PLAN ASSETS

The Plan's assets, which consist principally of Company common stock, are held by the Trustee of the Plan.

Company contributions are held and managed by the Trustee, who invests cash received, interest, and dividend income and makes distributions to participants. The Trustee also administers the payment of interest and principal on the loan, which is reimbursed to the Trustee through contributions as determined by the Company.

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

NOTE 7 LOAN PAYABLE

On December 31, 2014, the Plan entered into a \$15,000,000 term loan agreement with the Company to purchase 60,000 shares of the Company common stock. Unallocated shares are collateral for the loan. Shares are released from collateral and allocated to participants when principal and interest payments are made. The number of shares released in any year is the number of shares held as collateral, multiplied by the ratio of the current year's payments, divided by the total of this year's payments, plus all future years' principal and interest payments. This resulted in 2,233 shares being released and allocated for the Plan year ended December 31, 2023. The agreement provides for the loan to be repaid over 30 years (maturity date of September 15, 2041) calling for yearly principal payments of \$500,000 plus interest at the rate of 2.74% per annum.

As of December 31, 2023, the scheduled amortization of the loan for the next five years and thereafter is as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2024	\$ 500,000
2025	500,000
2026	500,000
2027	500,000
2028	500,000
Thereafter	6,072,628
Total	<u>\$ 8,572,628</u>

**GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 8 RISKS AND UNCERTAINTIES

The Plan investments consist primarily of the Company 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 Company 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.

The Company, from time to time, has funds deposited in financial institutions in excess of insured limits.

NOTE 9 RELATED-PARTY AND PARTY-IN-INTEREST TRANSACTIONS

The Plan is administered by Generant Company Inc. and certain administrative functions are outsourced to a third-party administrator. A certain officer of the Company is Plan trustee. Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan.

The Plan invests in Company common stock and has indebtedness to the Company. As the Company is the Plan Sponsor, transactions involving Company common stock qualify as party-in-interest transactions. All of these party-in-interest transactions are exempt from the prohibited transaction rules of ERISA. In addition, the Plan has a number of service providers. Such parties are also parties-in-interest under ERISA.

NOTE 10 IRS EXAMINATION

The Plan years ended December 31, 2018, 2019, and 2020 were under an examination by the IRS. In a letter dated January 17, 2023, the IRS concluded their examination with no changes recommended.

NOTE 11 CONCENTRATIONS

In 2023 and 2022, investment in Company common stock represented more than 10% of the total Plan investments.

NOTE 12 SUBSEQUENT EVENT

Effective January 1, 2024, the Plan was amended and restated to increase the upper threshold for involuntary distributions for terminated participants from \$5,000 to \$7,000. In addition, the restatement allows the Plan to reinvest the cash portion of inactive participant account balances in additional shares of employer stock.

GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
E.I.N. 22-1730345 PLAN NO. 002
SCHEDULE H, LINE 4i—SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2023

(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
*	Generant Company, Inc.	Common Stock 91,863 Shares Allocated - 61,592 Unallocated - 30,271 Total	\$ 15,090,040 7,416,395 <u>22,506,435</u>	\$ 20,865,980 10,255,264 <u>31,121,244</u>
		<u>Mutual Funds:</u>		
*	American Funds	AMCAP Fund	18,645	31,031
*	American Funds	American Mutual Fund	10,612	17,769
*	American Funds	The Bond Fund of America	10,807	11,219
*	American Funds	Capital Income Builder Fund	7,898	10,261
*	American Funds	Capital World Growth and Income Fund	12,758	18,919
*	American Funds	The Income Fund of America	9,514	13,017
*	American Funds	U.S. Government Securities Fund	<u>18,975</u>	<u>18,724</u>
		Total Mutual Funds	<u>89,209</u>	<u>120,940</u>
	Total		<u>\$ 22,595,644</u>	<u>\$ 31,242,184</u>

* Indicates party-in-interest

GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
E.I.N. 22-1730345 PLAN NO. 002
SCHEDULE H, LINE 4j—SCHEDULE OF REPORTABLE TRANSACTIONS
YEAR ENDED DECEMBER 31, 2023

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of Party Involved	Asset/ Transaction	Purchase Price	Selling Price	Lease Rental	Expense Incurred With Transaction	Cost	Current Value	Net Gain
*Generant Company Inc.	Common Stock	\$ 1,230,891	\$ 1,408,742	\$ -	\$ -	\$ 1,230,891	\$ 1,408,742	\$ 177,851

* Indicates party-in-interest



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

Reportable Transaction Disclosure Statement

OMB No. 1545-1800

▶ **Attach to your tax return.**

▶ **See separate instructions.**

▶ **Go to www.irs.gov/Form8886 for instructions and the latest information.**

Attachment
Sequence No. **137**

Name(s) shown on return (individuals enter last name, first name, middle initial)

Identifying number

Number, street, and room or suite no.

City or town

State

ZIP code

- A** If you are filing more than one Form 8886 with your tax return, sequentially number each Form 8886 and enter the statement number for this Form 8886 ▶ Statement number _____ of _____
- B** Enter the form number of the tax return to which this form is attached or related ▶ _____
- Enter the year of the tax return identified above ▶ _____
- Is this Form 8886 being filed with an amended tax return? ☐ Yes ☐ No

- C** Check the box(es) that apply. See instructions. ☐ Initial year filer ☐ Protective disclosure

1a Name of reportable transaction

1b Initial year participated in transaction

1c Reportable transaction or tax shelter registration number. See instructions.

2 Identify the type of reportable transaction. Check all boxes that apply. See instructions.

- a** ☐ Listed **c** ☐ Contractual protection **e** ☐ Transaction of interest
- b** ☐ Confidential **d** ☐ Loss

3 If you checked box 2a or 2e, enter the published guidance number for the listed transaction or transaction of interest ▶ _____

4 Enter the number of "same as or substantially similar" transactions reported on this form ▶ _____

5 If you participated in this reportable transaction through a partnership, S corporation, trust, and foreign entity, check the applicable boxes and provide the information below for the entity(ies). See instructions. (Attach additional sheets, if necessary.)

- a** Type of entity ▶ ☐ Partnership ☐ Trust ☐ Partnership ☐ Trust
- ☐ S corporation ☐ Foreign ☐ S corporation ☐ Foreign

b Name ▶ _____

c Employer identification number (EIN), if known ▶ _____

d Date Schedule K-1 received from entity (enter "none" if Schedule K-1 not received) ▶ _____

6 Enter below the name and address of each individual or entity to whom you paid a fee with regard to the transaction if that individual or entity promoted, solicited, or recommended your participation in the transaction, or provided tax advice related to the transaction. (Attach additional sheets, if necessary.)

a Name	Identifying number (if known)	Fees paid \$
---------------	-------------------------------	-----------------

Number, street, and room or suite no.	City or town	State	ZIP code
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b Name	Identifying number (if known)	Fees paid \$
---------------	-------------------------------	-----------------

Number, street, and room or suite no.	City or town	State	ZIP code
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7 Facts**a** Identify the type of tax benefit generated by the transaction. Check all the boxes that apply. See instructions.

- ☐ Deductions ☐ Exclusions from gross income ☐ Absence of adjustments to basis ☐ Tax credits
☐ Capital loss ☐ Nonrecognition of gain ☐ Deferral
☐ Ordinary loss ☐ Adjustments to basis ☐ Other _____

b Enter the total dollar amount of your tax benefits identified in 7a. See instructions \$ _____**c** Enter the anticipated number of years the transaction provides the tax benefits stated in 7b. See instructions _____**d** Enter your total investment or basis in the transaction. See instructions \$ _____

e Further describe the amount and nature of the expected tax treatment and expected tax benefits generated by the transaction for all affected years. Include facts of each step of the transaction that relate to the expected tax benefits including the amount and nature of your investment. Include in your description your participation in the transaction and all related transactions regardless of the year in which they were entered into. Also, include a description of any tax result protection with respect to the transaction.

8 Identify all individuals and entities involved in the transaction that are tax-exempt, foreign, or related. Check the appropriate box(es). See instructions. Include their name(s), identifying number(s), address(es), and a brief description of their involvement. For each foreign entity, identify its country of incorporation or existence. For each individual or related entity, explain how the individual or entity is related. Attach additional sheets, if necessary.

a Type of individual or entity: ☐ Tax-exempt ☐ Foreign ☐ Related

Name	Identifying number

Address

Description

b Type of individual or entity: ☐ Tax-exempt ☐ Foreign ☐ Related

Name	Identifying number

Address

Description

FORM 8886 ADDENDUM

Last Name, First Name, Middle Initial or Entity: Generant Company, Inc. Employee Stock Ownership Plan
 Identifying Number: 20-8831688

On March 21, 2022, the U.S. District Court for the Eastern District of Tennessee ruled that issuance of Notice 2016-66 was “arbitrary and capricious” and violated the Administrative Procedures Act (5 U.S.C. §533 et seq.), and that the Notice and the reporting requirements imposed by it were invalid. *See CIC Services, LLC. v. Internal Revenue Service*, 592 F. Supp. 3d 677, 687 (E.D. Tenn., Mar. 21, 2022), *reconsideration on other grounds granted*, Docket No. 3:17-cv-00110, ECF No. 135, 2022 WL 2078036 (June 2, 2022), *amended judgment order entered*, ECF No. 139 (July 13, 2022) (“Internal Revenue Service Notice 2016-66 is hereby VACATED”), *appeal dismissed*, ECF No. 147 (Sept. 27, 2022). The court also found that, “nonparty taxpayers and material advisors necessarily benefit from CIC successfully demonstrating that the Notice must be set aside and are no longer be required [sic] to produce documents and information pursuant to the Notice” ECF No. 135, 2022 WL 2078036, at *2. The party making this filing believes that the District Court’s ruling renders it unnecessary to file Form 8886 with respect to any captive insurance arrangement. Additionally, the IRS’s full concession of all unagreed issues in *Puglisi v. Commissioner*, Docket No.’s 4796-20, 4799-20, 4826-20, 13487-20, 13488-20, 13489-20 (Oct. 29, 2021), a case involving substantially the same insurance arrangement as that disclosed on this Form 8886 and addendum, strongly suggests that the arrangement at issue is not the type of arrangement that, under Notice 2016-66, “should be identified specifically as a tax avoidance transaction.” Nevertheless, out of an abundance of caution, this protective Form 8886 is filed and a copy is provided to OTSA if applicable (as if Notice 2016-66 were valid).

Line 6 Continued: Enter below the name and address of each individual or entity to whom you paid a fee with regard to the transaction if that individual or entity promoted, solicited, or recommended your participation in the transaction, or provided tax advice related to the transaction. (Attach additional sheets, if necessary.)

Name	Identifying Number (if known)	Fees Paid	Number, Street, and Room or Suite No.	City or Town	State	Zip Code
Oxford Research Group, LLC	30-1118851	*Amount Included as shown on Form Line 6a for Oxford Risk Management Group of companies	954 Ridgebrook Road, Suite 100	Sparks	MD	21152
Oxford Risk Management Group LLC	61-1898275	*Amount Included as shown on Form Line 6a for Oxford Risk Management Group of companies	954 Ridgebrook Road, Suite 100	Sparks	MD	21152
Oxford Insurance Company TN LLC	46-4186593	*Amount Included as shown on Form Line 6a for Oxford Risk Management	One Nashville Place 150 Fourth Avenue North, Suite 1100	Nashville	TN	37219

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Last Name, First Name, Middle Initial or Entity: Generant Company, Inc. Employee Stock Ownership Plan
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		Group of companies				
The Taft Companies LLC	20-4587753	Unknown paid by ORMG	1620 Providence Road	Towson	MD	21286
Womble Bond Dickinson (US) LLP	56-0308470	Unknown paid by ORMG	1313 North Market Street, Suite 1200	Wilmington	DE	19801
Diehl Actuarial Consulting, LLC (f/k/a Dennison Actuarial Consulting, LLC)	85-2142345	Unknown paid by ORMG	5213 Country Club Drive, Suite 100	Brentwood	TN	37027

* Amounts shown are only the amounts paid in tax year 2023; additional amounts may have been paid in prior years.

Line 7b Continued: Enter the total dollar amount of your tax benefits identified in 7a. See instructions.

The tax benefit entered on line 7b is the premium multiplied by the highest marginal tax rate.

Line 7c Continued: Enter the anticipated number of years the transaction provides the tax benefits stated in 7b. See instructions.

The transaction is the annual purchase of insurance. The purchase provides a deduction benefit under section 162 and an exclusion benefit under section 831(b) only in the year in which the purchase occurs. Similar annual purchases are expected, but not assured, indefinitely into the future. If such purchases should occur, they would presumably provide the same benefit.

Line 7d Continued: Enter your total investment or basis in the transaction. See instructions.

Taxpayer does not invest or obtain basis in the transaction. In order to provide helpful information, the following amounts, if paid in this tax year, were totaled on this line: captive insurance company evaluation costs and insurance premiums paid to the fronting carrier by the insured.

Line 7e Continued: Further describe the amount and nature of the expected tax treatment and expected tax benefits generated by the transaction for all affected years. Include facts of each step of the transaction that relate to the expected tax benefits including the amount and nature of your investment. Include in your description your participation in the transaction and all related transactions regardless of the year in which they were entered into. Also, include a description of any tax result protection with respect to the transaction.

1. Description of the reportable transaction entered into and tax benefits for all affected years that caused the transaction to be reportable: The “transaction,” for which this disclosure statement is being filed, is a mechanism available to privately held businesses to enhance an existing risk management program by: (1) providing coverage for risks currently self-insured by the insured; (2) providing coverage for risks excluded from the insured’s existing property and casualty insurance policies; (3) supplementing the insured’s existing commercial insurance policies by providing excess and deductible reimbursement coverage; and/or (4) obtaining better control over the claims process.

Captive insurance arrangements provide the insured business with a mechanism to better manage a variety of risks and allow the insured to more effectively manage the cost of risk associated with unique exposures. Captive

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programs are designed to manage a range of risks, many of which traditional insurance programs cannot or will not cover. Captive insurance companies have different operating objectives from commercial property and casualty insurers. The captive's role also includes the reduction or stabilization of the cost of risk to the insured. Captive insurance is utilized by an insured that chooses to put its own capital at risk by creating its own insurance company, working outside of the commercial insurance marketplace to achieve its risk management objectives.

The tax benefits are based on the economic and legal structure and transactions. The insured, an already existing company, reports an ordinary and necessary business expense under Section 162 of the Internal Revenue Code (the "Code") for the insurance premium expense. Under Section 831(b) of the Code, the Captive elects to be taxed only on investment income and therefore excludes the premium payments directly or indirectly received under the insurance contracts from its taxable income.

The structure reported herein has been in place since 2014. The insurance premium deduction taken in 2023 caused this transaction to be reportable for the 2023 tax year. The insurance premium deduction, which flowed through to the insured owner(s), in whole or in part, for 2023 is as follows:

<u>Tax Year</u>	<u>Amount of Deduction</u>
2023	\$1,209,780.00

2. Description of the relevant facts and each step of the transaction; other parties to the transaction; assumptions of liabilities or other obligations, sales of property or interests in property; formation and dissolution of entities; any agreements between or among parties to the transaction; and any tax result protection with respect to the transaction: Several steps were taken to implement the captive insurance company (the "Captive"). During the initial consultation, Oxford Research Group LLC ("ORG") worked with the prospective insured and its advisory team to generally understand the insured's risk management needs and exposures to determine whether a captive insurance program might be appropriate.

Upon formal engagement, ORG performed an in-depth review of the insured's unique circumstances to identify appropriate risks available for coverage through the captive program. ORG conducted underwriting due diligence to identify current uninsured exposures, document any economic loss history for requested coverage, obtain data needed for third party actuarial firms to price the coverage, and discuss policy limits.

From the insured, ORG gathered copies of all primary commercial property and casualty insurance policies covering any requested exposures including declarations pages, definitions and exclusions, loss runs, historical data for each policy, and premium history. ORG recommended that the insured's property and casualty broker(s) be involved in this process to coordinate coverage between the insured's commercial and captive insurance programs and to provide independent risk management advice to the insured. In particular, ORG recommended that the broker conduct an industry review to confirm that comparable enterprise risk coverage is either unavailable or unaffordable elsewhere in the commercial marketplace and attend the underwriting conference call or meeting to help develop a clear picture of the insured's risk profile.

The review process often includes engaging an independent risk management consultant to perform critical analysis of the insured's total cost of risk based on existing and prospective insurance coverage and exposures.

After all information needed for underwriting was obtained, an independent, third party, credentialed actuary formulated rates within domestic market underwriting standards. Having determined that a captive is

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appropriate, which is not always the case, ORG presented a schedule of potential coverages to the insured. Upon review of its options, the insured elected to proceed with forming a captive and, taking into account its unique circumstances, selected which coverages to insure through the captive.

Because a captive is a regulated entity, it must apply for a license to operate as an insurance company and is subject to its domicile's requirements for liquidity, governance, and operations as a duly licensed captive insurance company. Enforcement action by the regulator could result in loss of license to conduct business as an insurance company with eventual involuntary dissolution of the captive. All aspects of a captive's operation are regulated, and even voluntary dissolution of the captive requires prior regulatory approval.

Once authorized to proceed, ORG introduced Oxford Risk Management Group LLC ("ORMG") to manage the implementation process. ORMG began the implementation process, including selection of the domicile and submission of an application to the relevant Department of Insurance regulatory team. The application to the regulators and supporting materials included a strategic business plan, biographical affidavits for the principals, and a feasibility study, including a premium rate analysis and five-year pro forma financial statements reflecting both expected and adverse scenarios (if required by the domicile). The strategic business plan described the captive insurance program in detail, including the Captive's business purpose, insurance and reinsurance arrangements, and initial capitalization. The strategic business plan also identified the Captive's management and service providers. The application and supporting materials were reviewed by the regulator's analysts and actuaries prior to approval by the Insurance Commissioner.

Having been approved by the Insurance Commissioner, the Captive received its own Certificate of Authority, or license to transact insurance business. After the license application was filed and approved, ORMG completed the implementation of the captive program, including ensuring proper formation, execution of relevant documents, and activation of the insurance program. ORMG also oversaw the regulatory organizational review in which, shortly after a captive is licensed, the regulator reviews its organization to ensure that the captive as implemented is consistent with what was approved. ORMG works with outside counsel to complete the implementation of the captive program, oversee execution of the relevant documentation, and activate the insurance program.

The Captive is subject to annual reporting requirements which are handled by ORMG with the assistance of The Taft Companies, LLC ("Taft"). Throughout the year, ORMG provides assistance with the Captive's regulatory reporting. ORMG files the Captive's annual report, annual audited financial statements, annual reserve review, which includes a statement of actuarial opinion, and premium tax return with the regulator, and arranges for payment of the Captive's premium tax and license renewal fee. ORMG is also responsible for preparing quarterly financial statements for the Captive's use, as well as reconciling the Captive's banking and accounting statements.

a. Agreements between or among parties to the transaction: Policies covering varied, scheduled, first-party risk exposures are purchased by the insured and issued by a Series Business Unit or Series Protected Cell of Oxford Insurance Company LLC, Oxford Insurance Company TN LLC, Oxford Insurance Company NC LLC, First Community Bankers Insurance Co., LLC, or Oxford Insurance Company MT LLC ("Oxford Fronting Carrier") licensed to do business in the respective domestic domicile. The Oxford Fronting Carrier's manuscript policies are common to all programs, with the principal variances being the scheduled coverage triggers for the applicable program. Each policy issued reflects both a specific and annual aggregate loss limit and provides first-party reimbursement to the insured on a claims-made basis, with a twelve-month policy period. Oxford Fronting Carriers have no duty to defend the insured, and no party other than the insured may collect reimbursement from

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Last Name, First Name, Middle Initial or Entity: Generant Company, Inc. Employee Stock Ownership Plan
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them under the policies. The policy reimburses the insured for losses reported during the policy period arising out of the occurrence of selected triggering events.

Each Fronting Carrier has engaged ORMG to oversee the Captive's claims management function. Claims are reported to ORMG, who follows up with the insured to substantiate the loss. With the assistance of Taft, ORMG evaluates the claim and makes a recommendation to the Fronting Carrier regarding the coverage determination. ORMG follows up with the insured periodically to inquire as to whether loss events have occurred to which the captive policies may respond.

Oxford Fronting Carriers enter into a reinsurance contract with each of the private risk program's participant reinsurers (each a "Reinsurance Captive") pursuant to which the Oxford Fronting Carrier directs a quota share of each insured's claim responsibility (as specified in the reinsurance contract) to its related Reinsurance Captive and the remaining amount through the pool. When the Captive's related insured makes a claim under a policy issued by the Oxford Fronting Carrier, the Captive is responsible for its quota share of the loss and the remainder of the loss is borne by the various unrelated participants in the pool. When an unrelated insured makes a claim under a policy issued by the Oxford Fronting Carrier, the unrelated Reinsurance Captive related to the insured is responsible for its quota share of the loss (as provided in the applicable reinsurance contract) and the Captive is responsible for a quota share of the remainder of the loss. To facilitate claims payment, 10% of the reinsurance premiums payable to the Captive are withheld by the Fronting Carrier as a claims reserve.

Effective November 1, 2017, the Oxford Fronting Carriers entered into a unified risk distribution mechanism, or risk pool (the "Unified Pool"). The Unified Pool was effectuated through an interindemnity agreement and amended reinsurance contracts and was approved by the relevant state authorities. Under the new arrangement, each Oxford Fronting Carrier still directs a quota share of each insured's risks and premium to its related Reinsurance Captive and the remainder of the premiums to the Reinsurance Captives in its domicile. However, the pooled portion of the risks, which were previously reinsured only by other captive insurance companies in the Fronting Carrier's domicile, are now reinsured among all the other Reinsurance Captives participating in the Unified Pool. Risks reinsured through the Unified Pool include the first-party enterprise risks discussed above as well as liability (e.g. general, professional, management, automobile, or workers' compensation), property, financial guarantee, and "after the event" risks. The Unified Pool has been issued an "A" rating from A.M. Best.

Annually, ORMG performs a risk review with the insured. As with the implementation phase, the insured's commercial insurance broker is invited to participate in the policy renewal and risk review process. The actuary uses the results of the risk review to determine renewal premium rates. The process includes a discussion with the insured of any potential coverage and/or rate modifications. Coverage is renewed for the ensuing 12-month policy period only after any coverage and/or rate modifications are confirmed with the insured.

b. Assumptions of liabilities or other obligations, sales of property or interests in property: Aside from what is already described herein, there are no property transfers and acquisitions, no liability assumptions, and no sales.

c. Entity formation or dissolution: Each Reinsurance Captive is designed to operate under the series limited liability company statutes or protected cell statutes, captive insurance laws, and department of insurance regulations in the respective domestic domicile in which the captive is formed. Each Reinsurance Captive has its own ownership structure and is taxed separately from the Oxford Fronting Carriers and the other Reinsurance Captives. Each insured and owner of insured is advised to consult with their own legal counsel to determine the most appropriate manner in which to own its captive insurance company. Each Reinsurance Captive is treated

FORM 8886 ADDENDUM

Last Name, First Name, Middle Initial or Entity: Generant Company, Inc. Employee Stock Ownership Plan
 Identifying Number: 20-8831688

as a C corporation for tax purposes, obtains its own Federal Employer Identification Number from the IRS, and files its own Form 1120-PC federal corporate income tax return.

d. Describe any tax result protection with respect to the transaction: There is no tax result protection related to this transaction.

3. Description of the economic and business reasons for the transaction and its structure: In addition to complementing the insured's risk management program, it is the Captive's economic goal to become a profitable financial asset by generating underwriting profit for the benefit of the captive owner.

Captive insurance arrangements provide the insureds with a mechanism to better manage its risk exposures. The captive program is designed to manage a range of risks, many of which traditional insurance programs cannot or will not cover. Additionally, the captive arrangement stabilizes the cost of risks associated with the insureds' risk exposures.

4. Pursuant to Notice 2016-66, section 3.05(b), the taxpayer states that, to the best of taxpayer's knowledge and belief, the taxpayer generally became aware of the structure described above in 2014 from Financial Advisor.

Line 8 Continued: Identify all individuals and entities involved in the transaction that are tax-exempt, foreign, or related. Check the appropriate box(es) (see instructions). Include their name(s), identifying number(s), address(es), and a brief description of their involvement. For each foreign entity, identify its country of incorporation or existence. For each individual or related entity, explain how the individual or entity is related. Attach additional sheets, if necessary.

Related Party Entity or Individual Name	Brief Description of Involvement	Describe the nature of the relationship between you and any related entity and between or among any related entities	EIN or SSN, if known If not known, insert "Unknown"	Number, Street and Room or Suite Number	City or Town	State	Zip Code
Series Protected Cell 18 of Oxford Insurance Company TN LLC	Captive	Common Owner	46-4379592	954 Ridgebrook Road, Suite 100	Sparks	MD	21152
The Phenomenal Irrevocable Trust	Captive Owner	Common Owner	153-36-1335	8500 Keystone Crossing, Ste. 555	Indianapolis	IN	46240
Generant Company, Inc. Employee Stock Ownership Plan	Insured Owner	Common Owner	20-8831688	1865 Rt 23, P.O. Box 768	Butler	NJ	07405
Generant Company, Inc.	Additional Insured	Common Owner	22-1730345	1865 Rt 23, P.O. Box 768	Butler	NJ	07405

**GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

**FINANCIAL STATEMENTS AND
ERISA-REQUIRED SUPPLEMENTAL SCHEDULES**

**AS OF DECEMBER 31, 2023 AND 2022,
AND FOR THE YEAR ENDED DECEMBER 31, 2023**



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**GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
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AS OF DECEMBER 31, 2023 AND 2022,
AND FOR THE YEAR ENDED DECEMBER 31, 2023**

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INDEPENDENT AUDITORS' REPORT

Administrative Committee
Generant Company, Inc. Employee Stock Ownership Plan
Butler, New Jersey

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Generant Company, Inc. Employee Stock Ownership Plan (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, 2023 and 2022, and the related statement of changes in net assets available for benefits for the year ended December 31, 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Generant Company, Inc. Employee Stock Ownership Plan as of December 31, 2023 and 2022, and the changes in its net assets available for benefits for the year ended December 31, 2023, 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. 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 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 the 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 that 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 generally accepted auditing standards 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 generally accepted auditing standards, we:

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

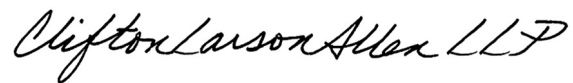
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Schedules Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedule H, Line 4i—schedule of assets (held at end of year) as of December 31, 2023, and schedule H, Line 4j—schedule of reportable transactions for the year ended December 31, 2023, are presented for the purpose of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's *Rules and Regulations for Reporting and Disclosure* under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

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

In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the financial statements taken as a whole, and the form and content are presented in conformity with the Department of Labor's *Rules and Regulations for Reporting and Disclosure* under ERISA.



CliftonLarsonAllen LLP

Livingston, New Jersey
October 4, 2024

**GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2023 AND 2022**

	2023			2022		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ASSETS						
INVESTMENTS (AT ESTIMATED FAIR VALUE)						
Generant Company Inc.						
Common Stock	\$ 20,865,980	\$ 10,255,264	\$ 31,121,244	\$ 18,056,713	\$ 9,116,142	\$ 27,172,855
Mutual Funds	120,940	-	120,940	106,822	-	106,822
Total Investments	20,986,920	10,255,264	31,242,184	18,163,535	9,116,142	27,279,677
CASH	41,769	-	41,769	284,804	-	284,804
RECEIVABLES						
Other Income	739	-	739	739	-	739
Employer Contribution	-	735,538	735,538	-	748,595	748,595
Total Receivables	739	735,538	736,277	739	748,595	749,334
LIABILITIES						
Loan Payable - Plan Sponsor	-	8,572,628	8,572,628	-	9,072,628	9,072,628
Accrued Interest	-	235,538	235,538	-	248,595	248,595
Accrued Fees	2,787	-	2,787	2,200	-	2,200
Total Liabilities	2,787	8,808,166	8,810,953	2,200	9,321,223	9,323,423
NET ASSETS AVAILABLE FOR PLAN BENEFITS	<u>\$ 21,026,641</u>	<u>\$ 2,182,636</u>	<u>\$ 23,209,277</u>	<u>\$ 18,446,878</u>	<u>\$ 543,514</u>	<u>\$ 18,990,392</u>

See accompanying Notes to Financial Statements.

**GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2023**

	2023		
	Allocated	Unallocated	Total
ADDITIONS:			
Net Appreciation in Estimated Fair Value of Company Common Stock	\$ 3,461,785	\$ 1,895,647	\$ 5,357,432
Net Appreciation in Mutual Funds	14,118	-	14,118
Employer Contribution	-	735,538	735,538
Allocation of 2,233			
Shares of Employer Common Stock at December 31, 2023 at Estimated Fair Value	756,525		756,525
Total Additions	<u>4,232,428</u>	<u>2,631,185</u>	<u>6,863,613</u>
DEDUCTIONS:			
Distributions to Participants	1,650,765	-	1,650,765
Interest Expense	-	235,538	235,538
Allocation of 2,233			
Shares of Employer Common Stock at December 31, 2023 at Estimated Fair Value	-	756,525	756,525
Investment Fees	1,900	-	1,900
Total Deductions	<u>1,652,665</u>	<u>992,063</u>	<u>2,644,728</u>
NET INCREASE	2,579,763	1,639,122	4,218,885
NET ASSETS AVAILABLE FOR BENEFITS:			
Beginning of Year	<u>18,446,878</u>	<u>543,514</u>	<u>18,990,392</u>
End of Year	<u>\$ 21,026,641</u>	<u>\$ 2,182,636</u>	<u>\$ 23,209,277</u>

See accompanying Notes to Financial Statements.

**GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 DESCRIPTION OF PLAN

The following brief description of the Generant Company, Inc. Employee Stock Ownership Plan (Plan) is provided for general information purposes only. Participants should refer to the Plan Agreement for complete information.

General

Generant Company, Inc. (Company), established the Plan effective January 1, 2006. As of January 1, 2007, the Plan was amended and operates, in relevant part, as a leveraged employee stock ownership plan (ESOP) and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (IRC) and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is administered by McCready and Keene, an independent third-party. The Plan's trustee is Michael Miller, CPA (Trustee), an independent third-party fiduciary.

On May 23, 2007, the Plan purchased 40,000 shares of Class A voting stock from the Company in exchange for a promissory note of \$9,500,000 and holds the stock in a trust established under the Plan. As the Plan made each payment of principal and interest, an appropriate percentage of stock was allocated to eligible participants' accounts in accordance with applicable regulations under the IRC. This loan was paid off on December 1, 2008.

On December 31, 2014, the Plan purchased 60,000 shares of Class A voting stock from the Company in exchange for a promissory note of \$15,000,000 and holds the stock in a trust established under the Plan. The principal sum plus accrued interest thereon is paid in 30 consecutive annual installments, beginning on September 1, 2015. As the Plan makes each payment of principal and interest, an appropriate percentage of stock is allocated to eligible participants' accounts in accordance with the applicable regulations under the IRC. Shares vest upon allocation based on the schedule discussed in Note 1.

The borrowing is collateralized by the unallocated shares of stock. The lender has no rights against shares of stock once they are allocated under the provisions of the ESOP. Accordingly, the financial statements of the Plan as of December 31, 2023 and 2022, and for the year ended December 31, 2023, present separately the assets and liabilities and changes therein pertaining to:

- a. The accounts of employees with vested rights in allocated stock (Allocated), and
- b. Stock not yet allocated to employees (Unallocated).

Eligibility

All employees employed by the Company during the 2006 Plan year with at least one hour of employment became a participant on the latter of their hire date or January 1, 2006. Commencing January 1, 2007, employees of the Company are generally eligible to participate in the Plan, provided they work at least 1,000 hours during such Plan year and are employed on the last day of the Plan year.

**GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 DESCRIPTION OF PLAN (CONTINUED)

Employer Contributions

The Company is obligated to make contributions in cash to the Plan that, when aggregated with the Plan's dividends and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loan.

Payment of Benefits

Participants are eligible to receive benefits upon retirement, death, disability, or termination of employment as specified in the Plan. The normal form of distribution of the vested value of a participant's account shall be made in substantially equal installments over a period of five years. Since the Company is an S corporation, generally all distributions are made in cash.

Under provisions of the Plan, the Company has the right of first refusal to repurchase participant-offered shares at fair market value that have been distributed under the terms of the Plan, as long as the shares are not publicly traded. During 2023, the Company repurchased from participants 5,024 shares at prices determined from the independent appraisal.

Voting Rights

Each participant or beneficiary is entitled to exercise voting rights attributable to the shares allocated to their account with respect to the approval or disapproval of any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all assets of a trade or business, or such similar transaction as may be prescribed in applicable regulations. In the event that any participant or beneficiary does not exercise their right to direct such voting, then with regard to the shares allocated to their accounts, the Trustee shall direct the voting of such shares in its sole discretion. Likewise, the Trustee is to direct the voting of any unallocated shares at its sole discretion.

Plan Termination

The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon such termination of the Plan, participants in the Plan will be 100% vested in the Plan, and the trust fund will be distributed to such participant or beneficiary at the time prescribed by the Plan terms and the IRC. Upon termination of the Plan, the Plan administrator shall direct the Trustee to pay all liabilities and expenses of the trust fund and to sell shares of financed stock held in the loan suspense account to the extent it determines such sale to be necessary in order to repay the loan.

**GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 DESCRIPTION OF PLAN (CONTINUED)

Participant Accounts

The Plan is a defined-contribution plan under which a separate, individual account is established for each participant. Each participant's account is credited as of the last day of each Plan year with an allocation of shares of the Company common stock released by the Trustee from the unallocated account and forfeitures of terminated participants' nonvested accounts. Only those participants who are eligible 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. 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 by the participant's account.

Vesting

If a participant's employment with the Company ends for any reason other than retirement, permanent disability, or death, they will vest in the balance in their account based on total years of service with the Company. Participants vest 20% per year of service after completing two years of service and are 100% vested after six years of service. No vesting service shall be credited for service prior to January 1, 2006.

Put Option

Under federal income tax regulations, the employer stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any share 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 Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

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 common stock into investments that are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25% of the number of post-1986 shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. Participants who elect to diversify receive a cash distribution. During the year ended December 31, 2023, eligible participants elected to diversify \$131,424 of their account balances. The amount diversified is reflected in distributions on the statement of changes in net assets available for benefits for the year ended December 31, 2023.

**GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 DESCRIPTION OF PLAN (CONTINUED)

Forfeitures

Employer contributions and Plan forfeitures are allocated to each participant's account based upon the relation of the participant's compensation to total compensation for the Plan year. Forfeitures of terminated, nonvested account balances were allocated to remaining participants at the end of the year. Forfeitures allocated at December 31, 2023 and 2022, totaled \$111,219 and \$75,825, respectively. The balance of the forfeiture account was \$-0- at December 31, 2023 and 2022.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements on the modified cash basis of accounting requires the Plan administrator 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.

Subsequent Events

The Plan has evaluated its subsequent events and transactions occurring after December 31, 2023 through October 4, 2024, the date that the financial statements were available to be issued.

Investment Valuation and Income Recognition

Investments in mutual funds are reported at fair value and investment in Company common stock is reported at estimated fair value based on an independent third-party appraisal. 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. Dividends are recorded on the ex-dividend date. Realized gains and losses from security transactions are reported on the average cost method. Net appreciation includes the Plan's gains and losses on investments bought and sold, as well as held, during the year.

**GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Benefit Payments

Benefit payments are recorded when paid.

Operating Expenses

All expenses of maintaining the Plan, except for recordkeeping fees, are paid by the Company and are excluded from the Plan's financial statements.

NOTE 3 INVESTMENTS

The Plan's investment in Company securities consists of 91,863 shares of the outstanding common stock of Generant Company, Inc. The shares were acquired on December 31, 2014 and May 23, 2007 for \$250.00 and \$237.50 per share, respectively, which was the estimated fair market value as determined by independent appraisals. The estimated fair market value as determined by independent appraisals as of December 31, 2023 and 2022 was \$338.78 and \$280.46 per share, respectively.

During 2023, 2,233 shares were released and allocated to participants. The Plan's investments at December 31 are presented in the following table:

	2023		2022	
	Allocated	Unallocated	Allocated	Unallocated
Generant Company, Inc. Number of Shares	61,592	30,271	64,383	32,504
Cost	\$ 15,090,040	\$ 7,416,395	\$ 15,773,835	\$ 7,963,480
Estimated Fair Value	\$ 20,865,980	\$ 10,255,264	\$ 18,056,713	\$ 9,116,142

NOTE 4 FAIR VALUE MEASUREMENTS

Fair value measurements establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy 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.

**GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

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; and
- 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 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:

Mutual Funds – Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded. (Level 1).

Company Common Stock – The fair value of the Company common stock is based upon an annual, independent, third-party appraisal, as there is no established market for this stock. Pace Financial Group performed appraisals as of December 31, 2023 and 2022. The appraisals were based upon the discounted future income method 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 Company assets and liabilities. The appraised value is discounted to reflect marketability of the Company stock. (Level 3).

There have been no changes in the methodologies used at December 31, 2023 and 2022.

The Administrative Committee, under the supervision of the Company's Board of Directors, determines the fair value measurement policies and procedures. These policies and procedures are reassessed at least annually to determine if the current valuation techniques are still appropriate. At that time, the unobservable inputs used in the fair value measurements are evaluated and adjusted, as necessary, based on current market conditions and other third-party information.

**GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

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

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2023 and 2022:

2023				
	Level 1	Level 2	Level 3	Total
Company Common Stock	\$ -	\$ -	\$ 31,121,244	\$ 31,121,244
Mutual Funds	120,940	-	-	120,940
Total Investments at Fair Value	<u>\$ 120,940</u>	<u>\$ -</u>	<u>\$ 31,121,244</u>	<u>\$ 31,242,184</u>

2022				
	Level 1	Level 2	Level 3	Total
Company Common Stock	\$ -	\$ -	\$ 27,172,855	\$ 27,172,855
Mutual Funds	106,822	-	-	106,822
Total Investments at Fair Value	<u>\$ 106,822</u>	<u>\$ -</u>	<u>\$ 27,172,855</u>	<u>\$ 27,279,677</u>

The Plan's policy is to recognize transfers into and out of Level 3 as of the date of the event or change in circumstance that caused the transfer. There were no purchases, issuances, or transfers of the Level 3 investments during the year ended December 31, 2023.

NOTE 5 TAX STATUS

The Internal Revenue Service (IRS) has determined, and informed the Company by a letter dated April 3, 2017, that the Plan, as designed, is in compliance with the applicable requirements of the IRC. The Plan administrator believes that the Plan is currently designed, and being operated, in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan is qualified, and the related trust is tax-exempt.

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 position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that, as of December 31, 2023 and 2022, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions. Refer to Note 9 for discussion on the status of IRS examinations.

**GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 5 TAX STATUS (CONTINUED)

Subsequent to December 31, 2023, the Plan's Trustees and Plan Sponsor received notice from the DOL of an investigation regarding Plan transactions and compliance with ERISA. As of October 4, 2024, the investigation is still pending, and no judgment has occurred.

NOTE 6 ADMINISTRATION OF PLAN ASSETS

The Plan's assets, which consist principally of Company common stock, are held by the Trustee of the Plan.

Company contributions are held and managed by the Trustee, who invests cash received, interest, and dividend income and makes distributions to participants. The Trustee also administers the payment of interest and principal on the loan, which is reimbursed to the Trustee through contributions as determined by the Company.

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

NOTE 7 LOAN PAYABLE

On December 31, 2014, the Plan entered into a \$15,000,000 term loan agreement with the Company to purchase 60,000 shares of the Company common stock. Unallocated shares are collateral for the loan. Shares are released from collateral and allocated to participants when principal and interest payments are made. The number of shares released in any year is the number of shares held as collateral, multiplied by the ratio of the current year's payments, divided by the total of this year's payments, plus all future years' principal and interest payments. This resulted in 2,233 shares being released and allocated for the Plan year ended December 31, 2023. The agreement provides for the loan to be repaid over 30 years (maturity date of September 15, 2041) calling for yearly principal payments of \$500,000 plus interest at the rate of 2.74% per annum.

As of December 31, 2023, the scheduled amortization of the loan for the next five years and thereafter is as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2024	\$ 500,000
2025	500,000
2026	500,000
2027	500,000
2028	500,000
Thereafter	6,072,628
Total	<u>\$ 8,572,628</u>

**GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 8 RISKS AND UNCERTAINTIES

The Plan investments consist primarily of the Company 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 Company 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.

The Company, from time to time, has funds deposited in financial institutions in excess of insured limits.

NOTE 9 RELATED-PARTY AND PARTY-IN-INTEREST TRANSACTIONS

The Plan is administered by Generant Company Inc. and certain administrative functions are outsourced to a third-party administrator. A certain officer of the Company is Plan trustee. Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan.

The Plan invests in Company common stock and has indebtedness to the Company. As the Company is the Plan Sponsor, transactions involving Company common stock qualify as party-in-interest transactions. All of these party-in-interest transactions are exempt from the prohibited transaction rules of ERISA. In addition, the Plan has a number of service providers. Such parties are also parties-in-interest under ERISA.

NOTE 10 IRS EXAMINATION

The Plan years ended December 31, 2018, 2019, and 2020 were under an examination by the IRS. In a letter dated January 17, 2023, the IRS concluded their examination with no changes recommended.

NOTE 11 CONCENTRATIONS

In 2023 and 2022, investment in Company common stock represented more than 10% of the total Plan investments.

NOTE 12 SUBSEQUENT EVENT

Effective January 1, 2024, the Plan was amended and restated to increase the upper threshold for involuntary distributions for terminated participants from \$5,000 to \$7,000. In addition, the restatement allows the Plan to reinvest the cash portion of inactive participant account balances in additional shares of employer stock.

GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
E.I.N. 22-1730345 PLAN NO. 002
SCHEDULE H, LINE 4i—SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2023

(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
*	Generant Company, Inc.	Common Stock 91,863 Shares Allocated - 61,592 Unallocated - 30,271 Total	\$ 15,090,040 7,416,395 <u>22,506,435</u>	\$ 20,865,980 10,255,264 <u>31,121,244</u>
		<u>Mutual Funds:</u>		
*	American Funds	AMCAP Fund	18,645	31,031
*	American Funds	American Mutual Fund	10,612	17,769
*	American Funds	The Bond Fund of America	10,807	11,219
*	American Funds	Capital Income Builder Fund	7,898	10,261
*	American Funds	Capital World Growth and Income Fund	12,758	18,919
*	American Funds	The Income Fund of America	9,514	13,017
*	American Funds	U.S. Government Securities Fund	<u>18,975</u>	<u>18,724</u>
		Total Mutual Funds	<u>89,209</u>	<u>120,940</u>
	Total		<u><u>\$ 22,595,644</u></u>	<u><u>\$ 31,242,184</u></u>

* Indicates party-in-interest

GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
E.I.N. 22-1730345 PLAN NO. 002
SCHEDULE H, LINE 4j—SCHEDULE OF REPORTABLE TRANSACTIONS
YEAR ENDED DECEMBER 31, 2023

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of Party Involved	Asset/ Transaction	Purchase Price	Selling Price	Lease Rental	Expense Incurred With Transaction	Cost	Current Value	Net Gain
*Generant Company Inc.	Common Stock	\$ 1,230,891	\$ 1,408,742	\$ -	\$ -	\$ 1,230,891	\$ 1,408,742	\$ 177,851

* Indicates party-in-interest

GENERANT COMPANY, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
E.I.N. 22-1730345 PLAN NO. 002
SCHEDULE H, LINE 4j—SCHEDULE OF REPORTABLE TRANSACTIONS
YEAR ENDED DECEMBER 31, 2023

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of Party Involved	Asset/ Transaction	Purchase Price	Selling Price	Lease Rental	Expense Incurred With Transaction	Cost	Current Value	Net Gain
*Generant Company Inc.	Common Stock	\$ 1,230,891	\$ 1,408,742	\$ -	\$ -	\$ 1,230,891	\$ 1,408,742	\$ 177,851

* Indicates party-in-interest