

<p>Form 5500</p> <p>Department of the Treasury Internal Revenue Service</p> <hr/> <p>Department of Labor Employee Benefits Security Administration</p> <hr/> <p>Pension Benefit Guaranty Corporation</p>	<p>Annual Return/Report of Employee Benefit Plan</p> <p>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).</p> <p>▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	<p>OMB Nos. 1210-0110 1210-0089</p> <hr/> <p style="font-size: 24pt; font-weight: bold;">2023</p> <hr/> <p>This Form is Open to Public Inspection</p>
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Part I Annual Report Identification Information
 For calendar plan year 2023 or fiscal plan year beginning 10/01/2023 and ending 09/30/2024

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) _____

B This return/report is: the first return/report the final return/report

an amended return/report a short plan year return/report (less than 12 months)

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

D Check box if filing under: Form 5558 automatic extension the DFVC program

special extension (enter description)

E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.

Part II Basic Plan Information—enter all requested information

<p>1a Name of plan <u>THE PROCONEX GROUP EMPLOYEE STOCK OWNERSHIP PLAN</u></p>	<p>1b Three-digit plan number (PN) ▶ <u>006</u></p>
<p>2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>PROCONEX MANAGEMENT GROUP, INC.</u></p> <p><u>103 ENTERPRISE DR</u> <u>ROYERSFORD, PA 19468 US</u></p>	<p>1c Effective date of plan <u>10/01/2023</u></p> <p>2b Employer Identification Number (EIN) <u>23-2776287</u></p> <p>2c Plan Sponsor's telephone number <u>610-495-1835</u></p> <p>2d Business code (see instructions) <u>423800</u></p>

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.	07/15/2025	SUSAN DEEGAN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	3b Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN	
	4d PN	
5 Total number of participants at the beginning of the plan year	5	236
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)	236
	6a(2)	260
	6b	0
	6c	0
	6d	260
	6e	0
	6f	260
	6g(1)	0
6g(2)	217	
6h	1	
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 3H 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)	9b Plan benefit arrangement (check all that apply)
(1) <input type="checkbox"/> Insurance	(1) <input type="checkbox"/> Insurance
(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts	(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts
(3) <input checked="" type="checkbox"/> Trust	(3) <input checked="" type="checkbox"/> Trust
(4) <input type="checkbox"/> General assets of the sponsor	(4) <input type="checkbox"/> General assets of the sponsor

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

a Pension Schedules

- (1) **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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2023 This Form is Open to Public Inspection.
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For calendar plan year 2023 or fiscal plan year beginning **10/01/2023** and ending **09/30/2024**

A Name of plan THE PROCONEX GROUP EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶	006
C Plan sponsor's name as shown on line 2a of Form 5500 PROCONEX MANAGEMENT GROUP, INC.	D Employer Identification Number (EIN) 23-2776287	

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 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)

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

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

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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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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
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For calendar plan year 2023 or fiscal plan year beginning 10/01/2023 and ending 09/30/2024	
A Name of plan THE PROCONEX GROUP EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶ 006
C Plan sponsor's name as shown on line 2a of Form 5500 PROCONEX MANAGEMENT GROUP, INC.	D Employer Identification Number (EIN) 23-2776287

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.

		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		11626677
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(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	0	11626677
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		13305815
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	13305815
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	0	-1679138

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)	731657	
(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)		731657
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)	824456	
(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)		
(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)	-2912638	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		-1356525

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	0	
(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)		0
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		322613
i Administrative expenses:			
(1) Salaries and allowances.....	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Recordkeeping fees.....	2i(3)		
(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)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		322613

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		-1679138
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: **KREISCHER MILLER**

(2) EIN: **23-1980475**

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.)		X	
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.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
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?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
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.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... Yes No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

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

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

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

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

SCHEDULE R (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2023 This Form is Open to Public Inspection.
--	---	---

For calendar plan year 2023 or fiscal plan year beginning **10/01/2023** and ending **09/30/2024**

A Name of plan THE PROCONEX GROUP EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN)	006
C Plan sponsor's name as shown on line 2a of Form 5500 PROCONEX MANAGEMENT GROUP, INC.	D Employer Identification Number (EIN) 23-2776287	

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): 42-0127290

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

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

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? Yes No N/A
If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

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

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

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

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

Part III	Amendments
-----------------	-------------------

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

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

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

11 a Does the ESOP hold any preferred stock? Yes No

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

a Name of contributing employer _____

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

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

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

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

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

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

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

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

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

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

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

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

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

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

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

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

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

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

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

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

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

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

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

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

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

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

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

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

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 06 / 30 / 2020 (MM/DD/YYYY) and the Opinion Letter serial number Q702454A.

The Proconex Group Employee Stock Ownership Plan

Financial Statements

September 30, 2024



The Proconex Group Employee Stock Ownership Plan
September 30, 2024

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Independent Auditors' Report

Board of Directors and the Plan Administrator
The Proconex Group Employee Stock Ownership Plan
Royersford, Pennsylvania

Opinion

We have audited the financial statements of The Proconex Group Employee Stock Ownership Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statement of net assets (deficit) available for benefits as of September 30, 2024, and the related statement of changes in net assets (deficit) available for benefits for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets (deficit) available for benefits of the Plan as of September 30, 2024, and the changes in net assets (deficit) available for benefits for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Supplemental Schedules Required by ERISA

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of September 30, 2024 is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

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

A handwritten signature in cursive script that reads "Kreischer Miller".

Horsham, Pennsylvania

July 10, 2025

The Proconex Group Employee Stock Ownership Plan

Statement of Net Assets (Deficit) Available for Benefits September 30, 2024

	2024		
	Allocated	Unallocated	Total
Assets:			
Investment in Proconex Acquisition, Inc. convertible preferred stock at fair value	\$ 968,890	\$ 10,657,787	\$ 11,626,677
Liabilities:			
Note payable	-	13,305,815	13,305,815
Net assets (deficit) available for benefits	\$ 968,890	\$ (2,648,028)	\$ (1,679,138)

See accompanying notes to financial statements.

The Proconex Group Employee Stock Ownership Plan

Statement of Changes in Assets (Deficit) Available for Benefits Year Ended September 30, 2024

	Allocated	Unallocated	Total
Additions (deductions):			
Investment income (loss):			
Net depreciation in fair value			
of investments	\$ -	\$ (2,912,638)	\$ (2,912,638)
Dividends		824,456	824,456
Employer contribution	-	731,657	731,657
Allocation of 21,950.38 shares of convertible preferred stock of Proconex Acquisition, Inc. at fair value	968,890	-	968,890
	<u>968,890</u>	<u>(1,356,525)</u>	<u>(387,635)</u>
Deductions:			
Interest expense	-	322,613	322,613
Allocation of 21,950.38 shares of convertible preferred stock of Proconex Acquisition, Inc. at fair value	-	968,890	968,890
	<u>-</u>	<u>1,291,503</u>	<u>1,291,503</u>
Total deductions	-	1,291,503	1,291,503
Net increase (decrease)	968,890	(2,648,028)	(1,679,138)
Net assets (deficit) available for benefits:			
Beginning of year	-	-	-
End of year	<u>\$ 968,890</u>	<u>\$ (2,648,028)</u>	<u>\$ (1,679,138)</u>

See accompanying notes to financial statements.

The Proconex Group Employee Stock Ownership Plan

Notes to Financial Statements

September 30, 2024

(1) Description of Plan

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

General

Proconex Acquisition, Inc. (the Company) established The Proconex Group Employee Stock Ownership Trust (the Trust) effective October 1, 2023. The Plan is intended to qualify as a stock bonus plan under Section 401(a) of the Internal Revenue Code (IRC) of 1986 and as an employee stock ownership plan that is designed to invest primarily in stock of the Company within the meaning of Section 4975(e)(7) of the IRC of 1986, as amended. The Plan is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The plan trustee, appointed by the Company's Board of Directors, is responsible for oversight of the Plan.

The Company's borrowing is collateralized by the Plan's unallocated shares of preferred stock and is guaranteed by the Company. As the Plan makes principal and interest payments, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the IRC. Shares are allocated to each participant's account based upon the individual participant's annual compensation, as defined, in relation to the total compensation for all participants. The lender has no rights against shares of preferred stock once they are allocated to participants in accordance with the terms of the Plan. Accordingly, the financial statements of the Plan as of and for the year ended September 30, 2024 present separately the assets and liabilities and changes therein pertaining to:

- 1) the accounts of employees with vested rights in allocated preferred stock (allocated).
- 2) Preferred stock not yet allocated to employees (unallocated).

Eligibility

The Plan covers substantially all full-time employees of the Company who have attained age 21 and completed 1,000 hours of service in a twelve-month period. The Plan excludes individuals who are employees of an affiliated company who have not adopted the Plan, employees covered under a collective bargaining agreement, leased employees and nonresidential aliens. Participants who do not have at least 1,000 hours of service during such plan year or are not employed on the last working day of a plan year unless retired after meeting the requirements for normal retirement are not eligible for an allocation of Company contributions for such year.

Preferred Stock Dividends

The Plan's investment in Company preferred stock carries a \$3.13 per share cumulative annual dividend. The preferred dividends on unallocated shares are expected to be used to repay the loan until extinguished.

The Proconex Group Employee Stock Ownership Plan

Notes to Financial Statements

September 30, 2024

(1) Description of Plan, Continued

Employer Contributions

The Company is obligated to make contributions in either cash or shares of Company stock to the Plan which, when aggregated with the Plan's dividends and earnings, equal the amount necessary to enable the Plan to make regularly scheduled payments of principal and interest due on its term loan or the Company shall agree to extend the term of the acquisition loan so as to prevent default by the Trust. Employee contributions are not permitted. Contributions are subject to Internal Revenue Service (IRS) limitations.

Payment of Benefits

No distributions from the Plan will be made until a participant retires, becomes disabled, dies (in which case payment shall be made to his or her beneficiary or, if none, his or her legal representatives) or otherwise terminates employment with the Company. Distributions of vested account balances on account of termination with employment for reasons other than death, disability or retirement shall begin during the year after the close of the fifth plan year following the plan year in which the participant retires. Distributions are made in the form of cash.

If a participant should become permanently disabled while employed by the Company, the participant will be paid the vested value of the account and the payments will begin by the end of the plan year following the year in which the participant was determined to be disabled.

If a participant terminates employment before they meet the requirements for normal retirement and the vested account balance is less than \$7,000, the participant will receive their distribution by the close of the subsequent plan year. If no election is made by the age of 65 or death, payments will be made by the close of the plan year following the plan year in which the participant died or met the requirements for normal retirement.

The Plan contains a provision that provides the Plan administrator with the right to convert some or all of the company stock in the participant's vested account to cash after their employment terminates. This procedure is known as "segregation." The Plan administrator will designate each year which vested accounts, and how much of each vested account for participants who no longer are employed by the Company, will be segregated for that Plan year.

Voting Rights

Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the trustee prior to the time that such rights are to be exercised. The trustee shall vote such allocated shares of Company stock as instructed by participants. Allocated shares for which no instruction is received shall be voted by the trustee at their discretion.

The Proconex Group Employee Stock Ownership Plan

Notes to Financial Statements

September 30, 2024

(1) Description of Plan, Continued

Administrative Expenses

As provided in the Plan agreement, administrative expenses may be paid either by the Plan or by the Company.

Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each plan year with an allocation of cash contributed into the Plan, shares of the Company's convertible preferred stock released by the trustees 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 account balance.

Vesting

Subject to certain provisions as fully described in the plan document, the portion of the participant's account that is vested (nonforfeitable) on any specified date shall be determined on the basis of his or her years of service in accordance with the following schedule:

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

A participant's account shall also become 100% vested and nonforfeitable upon the participant's attainment of his or her normal retirement age (age 65) and five years of participation in the Plan while employed by the Company, or upon the participant's death or disability while employed by the Company.

Put Option

Under federal income tax regulations, the employer stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair 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.

The Proconex Group Employee Stock Ownership Plan

Notes to Financial Statements

September 30, 2024

(1) Description of Plan, Continued

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 convertible preferred stock into investments which are more diversified. Participants who are at least age 55 and 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 shares allocated to their account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. The election to diversify is made subsequent to year-end based upon the shares of employer stock in the participant's account at year-end.

Forfeited Accounts

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. There were no forfeitures for the year ended September 30, 2024.

(2) Summary of Significant Accounting Policies

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Significant estimates primarily consist of the appraised fair value of the Company's convertible preferred stock. The shares are valued on the basis of the Plan's independent appraiser's annual valuation as of September 30 of each plan year.

Allocations

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

The Proconex Group Employee Stock Ownership Plan

Notes to Financial Statements

September 30, 2024

(2) Summary of Significant Accounting Policies, Continued

Investment Valuation and Income Recognition

The convertible preferred stock of the Company is stated at fair value. Fair value is determined annually by an independent appraisal. See Note 4 for a discussion of fair value measurements.

Dividend income is accrued on the ex-dividend date. Interest income is recorded on the accrual basis. Purchases and sales of securities are reported on the average cost method. Realized gains and losses from security transaction are reported on the average cost method. Net depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefits are recorded when paid.

Subsequent Events

The Plan has evaluated subsequent events through July 10, 2025, the date the financial statements were available to be issued.

(3) Investments

The following table represents the Plan's investment in the Company's convertible preferred stock as of December 31, 2024:

	2024	
	Allocated	Unallocated
Number of shares	21,950	241,455
Cost	\$ 1,211,608	\$ 13,327,707
Estimated fair value	\$ 968,890	\$ 10,657,787

As a result of the pay down of the loan (see Note 5) to the Company during 2024, 21,950 shares of the Company's convertible preferred stock were transferred to the allocated category.

The Proconex Group Employee Stock Ownership Plan

Notes to Financial Statements

September 30, 2024

(4) Fair Value Measurements

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides the 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2: Inputs to the valuation methodology include
- quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.
 - If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2024.

Proconex Acquisition, Inc., convertible preferred stock: The Company's stock is not actively traded and significant other observable inputs are not available. Thus, the fair value of the convertible preferred stock is determined by an annual independent appraisal. The appraisal takes into account historical and projected cash flow and net income, return on assets, return on equity, market comparables, and estimated fair value of Company assets and liabilities.

The Proconex Group Employee Stock Ownership Plan

Notes to Financial Statements

September 30, 2024

(4) Fair Value Measurements, Continued

The valuation process involves the selection of an appraiser approved by the Board of Directors. Plan management accumulates the data for the appraiser from historical and projected financial information of the Company. The appraiser prepares a report of estimated per share value that a participant will receive upon distribution. Plan management and the Board of Directors review and approve the appraisal report before it is finalized. As of September 30, 2024, the stock was valued at \$44.14 per share.

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 table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of September 30, 2024:

Description	Assets at Fair Value as of September 30, 2024			
	Level 1	Level 2	Level 3	Total
Proconex Acquisition, Inc. convertible preferred stock	\$ -	\$ -	\$ 11,626,677	\$ 11,626,677
Total assets at fair value	\$ -	\$ -	\$ 11,626,677	\$ 11,626,677

There were no significant transfers among investment levels during the years ended September 30, 2024.

Changes in Fair Value of Level 3 Investments

During 2024, there were purchases of convertible preferred stock in the amount of \$14,539,315. There were no transfers into or out of the investment and no sales of convertible preferred stock included in level 3 of the fair value hierarchy. The unrealized loss on the Company's convertible preferred stock is included in the net depreciation in fair value of investments on the statements of changes in net assets (deficit) available for benefits.

The Proconex Group Employee Stock Ownership Plan

Notes to Financial Statements

September 30, 2024

(5) Note Payable

In 2024, the Plan entered into a \$14,539,315 note bearing interest at 4.45% per annum with the Company. The proceeds of the note were used to purchase 263,405 shares of convertible preferred stock from the existing stockholders, representing approximately 26% of all outstanding stock of the Company. Unallocated shares are collateral for the loan. Shares are released from collateral and allocated to participants as payments of principal and interest are made. The number of shares released in any year is the number of shares held as collateral multiplied by the ratio of the current year payments divided by the total of this year's payments, plus all future years' principal and interest payments. In 2024, payments of principal and interest totaling \$1,556,113 were made. This resulted in 21,950 shares being released and allocated for the plan year ended December 31, 2024.

The agreement provides for the note to be repaid over 10 years. The scheduled minimum principal amortization of the note for the next five years and thereafter is as follows:

Year Ending December 31,	Amount
2025	\$ 964,005
2026	\$ 1,006,903
2027	\$ 1,051,710
2028	\$ 1,097,257
2029	\$ 1,147,339
Thereafter	\$ 8,038,601

(6) Related Party Transactions and Party-In-Interest Transactions

The Plan invests in Company preferred stock and has indebtedness guaranteed by the Company. These are related party and party in interest transactions. Principal Trust Company serves as the plan recordkeeper. Transactions with these parties qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules of ERISA. The Company pays certain other expenses related to the Plan's operations directly.

Certain administrative functions of the Plan are performed by officers or employees of the Company. No officer or employee receives compensation from the Plan.

The Proconex Group Employee Stock Ownership Plan

Notes to Financial Statements

September 30, 2024

(7) Plan Termination

Although it has not expressed any intent to do so, the Company reserves the right to terminate the Plan at any time, subject to plan provisions. Upon such termination of the Plan, the interest of each participant in the trust fund will be fully vested and will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan and the IRC. Upon termination of the Plan, the trustee will pay all liabilities and expenses of the trust fund and sell shares of financed stock, if any, held in the loan suspense account to the extent it determines such sale to be necessary in order to repay the loan.

(8) Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated June 30, 2020, that the Plan is qualified and the trust established under the Plan is tax exempt, under the appropriate sections of the IRC. Although the Plan has been amended since receiving the determination letter, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

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 if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

SUPPLEMENTAL SCHEDULE

The Proconex Group Employee Stock Ownership Plan

EIN: 23-2776287

Plan No: 006

Supplemental Schedule

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

September 30, 2024

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
*	Proconex Acquisition, Inc.	263,404.54 shares of convertible preferred stock	\$ 14,539,315	\$ 11,626,677

* Party-in-interest

The Proconex Group Employee Stock Ownership Plan

Financial Statements

September 30, 2024



The Proconex Group Employee Stock Ownership Plan
September 30, 2024

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Independent Auditors' Report

Board of Directors and the Plan Administrator
The Proconex Group Employee Stock Ownership Plan
Royersford, Pennsylvania

Opinion

We have audited the financial statements of The Proconex Group Employee Stock Ownership Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statement of net assets (deficit) available for benefits as of September 30, 2024, and the related statement of changes in net assets (deficit) available for benefits for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets (deficit) available for benefits of the Plan as of September 30, 2024, and the changes in net assets (deficit) available for benefits for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Supplemental Schedules Required by ERISA

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of September 30, 2024 is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

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

A handwritten signature in cursive script that reads "Kreischer Miller".

Horsham, Pennsylvania

July 10, 2025

The Proconex Group Employee Stock Ownership Plan

Statement of Net Assets (Deficit) Available for Benefits September 30, 2024

	2024		
	Allocated	Unallocated	Total
Assets:			
Investment in Proconex Acquisition, Inc. convertible preferred stock at fair value	\$ 968,890	\$ 10,657,787	\$ 11,626,677
Liabilities:			
Note payable	-	13,305,815	13,305,815
Net assets (deficit) available for benefits	\$ 968,890	\$ (2,648,028)	\$ (1,679,138)

See accompanying notes to financial statements.

The Proconex Group Employee Stock Ownership Plan

Statement of Changes in Assets (Deficit) Available for Benefits Year Ended September 30, 2024

	Allocated	Unallocated	Total
Additions (deductions):			
Investment income (loss):			
Net depreciation in fair value			
of investments	\$ -	\$ (2,912,638)	\$ (2,912,638)
Dividends		824,456	824,456
Employer contribution	-	731,657	731,657
Allocation of 21,950.38 shares of convertible preferred stock of Proconex Acquisition, Inc. at fair value	968,890	-	968,890
	<u>968,890</u>	<u>(1,356,525)</u>	<u>(387,635)</u>
Deductions:			
Interest expense	-	322,613	322,613
Allocation of 21,950.38 shares of convertible preferred stock of Proconex Acquisition, Inc. at fair value	-	968,890	968,890
	<u>-</u>	<u>1,291,503</u>	<u>1,291,503</u>
Total deductions	-	1,291,503	1,291,503
Net increase (decrease)	968,890	(2,648,028)	(1,679,138)
Net assets (deficit) available for benefits:			
Beginning of year	-	-	-
End of year	<u>\$ 968,890</u>	<u>\$ (2,648,028)</u>	<u>\$ (1,679,138)</u>

See accompanying notes to financial statements.

The Proconex Group Employee Stock Ownership Plan

Notes to Financial Statements

September 30, 2024

(1) Description of Plan

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

General

Proconex Acquisition, Inc. (the Company) established The Proconex Group Employee Stock Ownership Trust (the Trust) effective October 1, 2023. The Plan is intended to qualify as a stock bonus plan under Section 401(a) of the Internal Revenue Code (IRC) of 1986 and as an employee stock ownership plan that is designed to invest primarily in stock of the Company within the meaning of Section 4975(e)(7) of the IRC of 1986, as amended. The Plan is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The plan trustee, appointed by the Company's Board of Directors, is responsible for oversight of the Plan.

The Company's borrowing is collateralized by the Plan's unallocated shares of preferred stock and is guaranteed by the Company. As the Plan makes principal and interest payments, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the IRC. Shares are allocated to each participant's account based upon the individual participant's annual compensation, as defined, in relation to the total compensation for all participants. The lender has no rights against shares of preferred stock once they are allocated to participants in accordance with the terms of the Plan. Accordingly, the financial statements of the Plan as of and for the year ended September 30, 2024 present separately the assets and liabilities and changes therein pertaining to:

- 1) the accounts of employees with vested rights in allocated preferred stock (allocated).
- 2) Preferred stock not yet allocated to employees (unallocated).

Eligibility

The Plan covers substantially all full-time employees of the Company who have attained age 21 and completed 1,000 hours of service in a twelve-month period. The Plan excludes individuals who are employees of an affiliated company who have not adopted the Plan, employees covered under a collective bargaining agreement, leased employees and nonresidential aliens. Participants who do not have at least 1,000 hours of service during such plan year or are not employed on the last working day of a plan year unless retired after meeting the requirements for normal retirement are not eligible for an allocation of Company contributions for such year.

Preferred Stock Dividends

The Plan's investment in Company preferred stock carries a \$3.13 per share cumulative annual dividend. The preferred dividends on unallocated shares are expected to be used to repay the loan until extinguished.

The Proconex Group Employee Stock Ownership Plan

Notes to Financial Statements

September 30, 2024

(1) Description of Plan, Continued

Employer Contributions

The Company is obligated to make contributions in either cash or shares of Company stock to the Plan which, when aggregated with the Plan's dividends and earnings, equal the amount necessary to enable the Plan to make regularly scheduled payments of principal and interest due on its term loan or the Company shall agree to extend the term of the acquisition loan so as to prevent default by the Trust. Employee contributions are not permitted. Contributions are subject to Internal Revenue Service (IRS) limitations.

Payment of Benefits

No distributions from the Plan will be made until a participant retires, becomes disabled, dies (in which case payment shall be made to his or her beneficiary or, if none, his or her legal representatives) or otherwise terminates employment with the Company. Distributions of vested account balances on account of termination with employment for reasons other than death, disability or retirement shall begin during the year after the close of the fifth plan year following the plan year in which the participant retires. Distributions are made in the form of cash.

If a participant should become permanently disabled while employed by the Company, the participant will be paid the vested value of the account and the payments will begin by the end of the plan year following the year in which the participant was determined to be disabled.

If a participant terminates employment before they meet the requirements for normal retirement and the vested account balance is less than \$7,000, the participant will receive their distribution by the close of the subsequent plan year. If no election is made by the age of 65 or death, payments will be made by the close of the plan year following the plan year in which the participant died or met the requirements for normal retirement.

The Plan contains a provision that provides the Plan administrator with the right to convert some or all of the company stock in the participant's vested account to cash after their employment terminates. This procedure is known as "segregation." The Plan administrator will designate each year which vested accounts, and how much of each vested account for participants who no longer are employed by the Company, will be segregated for that Plan year.

Voting Rights

Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the trustee prior to the time that such rights are to be exercised. The trustee shall vote such allocated shares of Company stock as instructed by participants. Allocated shares for which no instruction is received shall be voted by the trustee at their discretion.

The Proconex Group Employee Stock Ownership Plan

Notes to Financial Statements

September 30, 2024

(1) Description of Plan, Continued

Administrative Expenses

As provided in the Plan agreement, administrative expenses may be paid either by the Plan or by the Company.

Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each plan year with an allocation of cash contributed into the Plan, shares of the Company's convertible preferred stock released by the trustees 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 account balance.

Vesting

Subject to certain provisions as fully described in the plan document, the portion of the participant's account that is vested (nonforfeitable) on any specified date shall be determined on the basis of his or her years of service in accordance with the following schedule:

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

A participant's account shall also become 100% vested and nonforfeitable upon the participant's attainment of his or her normal retirement age (age 65) and five years of participation in the Plan while employed by the Company, or upon the participant's death or disability while employed by the Company.

Put Option

Under federal income tax regulations, the employer stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair 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.

The Proconex Group Employee Stock Ownership Plan

Notes to Financial Statements

September 30, 2024

(1) Description of Plan, Continued

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 convertible preferred stock into investments which are more diversified. Participants who are at least age 55 and 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 shares allocated to their account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. The election to diversify is made subsequent to year-end based upon the shares of employer stock in the participant's account at year-end.

Forfeited Accounts

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. There were no forfeitures for the year ended September 30, 2024.

(2) Summary of Significant Accounting Policies

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Significant estimates primarily consist of the appraised fair value of the Company's convertible preferred stock. The shares are valued on the basis of the Plan's independent appraiser's annual valuation as of September 30 of each plan year.

Allocations

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

The Proconex Group Employee Stock Ownership Plan

Notes to Financial Statements

September 30, 2024

(2) Summary of Significant Accounting Policies, Continued

Investment Valuation and Income Recognition

The convertible preferred stock of the Company is stated at fair value. Fair value is determined annually by an independent appraisal. See Note 4 for a discussion of fair value measurements.

Dividend income is accrued on the ex-dividend date. Interest income is recorded on the accrual basis. Purchases and sales of securities are reported on the average cost method. Realized gains and losses from security transaction are reported on the average cost method. Net depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefits are recorded when paid.

Subsequent Events

The Plan has evaluated subsequent events through July 10, 2025, the date the financial statements were available to be issued.

(3) Investments

The following table represents the Plan's investment in the Company's convertible preferred stock as of December 31, 2024:

	2024	
	Allocated	Unallocated
Number of shares	21,950	241,455
Cost	\$ 1,211,608	\$ 13,327,707
Estimated fair value	\$ 968,890	\$ 10,657,787

As a result of the pay down of the loan (see Note 5) to the Company during 2024, 21,950 shares of the Company's convertible preferred stock were transferred to the allocated category.

The Proconex Group Employee Stock Ownership Plan

Notes to Financial Statements

September 30, 2024

(4) Fair Value Measurements

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides the 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2: Inputs to the valuation methodology include
- quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.
 - If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2024.

Proconex Acquisition, Inc., convertible preferred stock: The Company's stock is not actively traded and significant other observable inputs are not available. Thus, the fair value of the convertible preferred stock is determined by an annual independent appraisal. The appraisal takes into account historical and projected cash flow and net income, return on assets, return on equity, market comparables, and estimated fair value of Company assets and liabilities.

The Proconex Group Employee Stock Ownership Plan

Notes to Financial Statements

September 30, 2024

(4) Fair Value Measurements, Continued

The valuation process involves the selection of an appraiser approved by the Board of Directors. Plan management accumulates the data for the appraiser from historical and projected financial information of the Company. The appraiser prepares a report of estimated per share value that a participant will receive upon distribution. Plan management and the Board of Directors review and approve the appraisal report before it is finalized. As of September 30, 2024, the stock was valued at \$44.14 per share.

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 table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of September 30, 2024:

Description	Assets at Fair Value as of September 30, 2024			
	Level 1	Level 2	Level 3	Total
Proconex Acquisition, Inc. convertible preferred stock	\$ -	\$ -	\$ 11,626,677	\$ 11,626,677
Total assets at fair value	\$ -	\$ -	\$ 11,626,677	\$ 11,626,677

There were no significant transfers among investment levels during the years ended September 30, 2024.

Changes in Fair Value of Level 3 Investments

During 2024, there were purchases of convertible preferred stock in the amount of \$14,539,315. There were no transfers into or out of the investment and no sales of convertible preferred stock included in level 3 of the fair value hierarchy. The unrealized loss on the Company's convertible preferred stock is included in the net depreciation in fair value of investments on the statements of changes in net assets (deficit) available for benefits.

The Proconex Group Employee Stock Ownership Plan

Notes to Financial Statements

September 30, 2024

(5) Note Payable

In 2024, the Plan entered into a \$14,539,315 note bearing interest at 4.45% per annum with the Company. The proceeds of the note were used to purchase 263,405 shares of convertible preferred stock from the existing stockholders, representing approximately 26% of all outstanding stock of the Company. Unallocated shares are collateral for the loan. Shares are released from collateral and allocated to participants as payments of principal and interest are made. The number of shares released in any year is the number of shares held as collateral multiplied by the ratio of the current year payments divided by the total of this year's payments, plus all future years' principal and interest payments. In 2024, payments of principal and interest totaling \$1,556,113 were made. This resulted in 21,950 shares being released and allocated for the plan year ended December 31, 2024.

The agreement provides for the note to be repaid over 10 years. The scheduled minimum principal amortization of the note for the next five years and thereafter is as follows:

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2025	\$ 964,005
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(6) Related Party Transactions and Party-In-Interest Transactions

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Certain administrative functions of the Plan are performed by officers or employees of the Company. No officer or employee receives compensation from the Plan.

The Proconex Group Employee Stock Ownership Plan

Notes to Financial Statements

September 30, 2024

(7) Plan Termination

Although it has not expressed any intent to do so, the Company reserves the right to terminate the Plan at any time, subject to plan provisions. Upon such termination of the Plan, the interest of each participant in the trust fund will be fully vested and will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan and the IRC. Upon termination of the Plan, the trustee will pay all liabilities and expenses of the trust fund and sell shares of financed stock, if any, held in the loan suspense account to the extent it determines such sale to be necessary in order to repay the loan.

(8) Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated June 30, 2020, that the Plan is qualified and the trust established under the Plan is tax exempt, under the appropriate sections of the IRC. Although the Plan has been amended since receiving the determination letter, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

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 if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

SUPPLEMENTAL SCHEDULE

The Proconex Group Employee Stock Ownership Plan

EIN: 23-2776287

Plan No: 006

Supplemental Schedule

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

September 30, 2024

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
*	Proconex Acquisition, Inc.	263,404.54 shares of convertible preferred stock	\$ 14,539,315	\$ 11,626,677

* Party-in-interest