

Form 5500

Annual Return/Report of Employee Benefit Plan

OMB Nos. 1210-0110 1210-0089

2024

This Form is Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

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

Department of Labor Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Part I Annual Report Identification Information

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/29/2024

- A This return/report is for: [] a multiemployer plan [] a multiple-employer plan... [X] a single-employer plan [] a DFE... B This return/report is: [] the first return/report [] the final return/report [X] an amended return/report [X] a short plan year return/report... C If the plan is a collectively-bargained plan, check here... [] D Check box if filing under: [X] Form 5558 [] automatic extension [] the DFVC program [] special extension... E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here... []

Part II Basic Plan Information—enter all requested information

1a Name of plan: SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
1b Three-digit plan number (PN): 002
1c Effective date of plan: 01/01/2011
2a Plan sponsor's name (employer, if for a single-employer plan): SAGAYA CORPORATION
2b Employer Identification Number (EIN): 92-0076914
2c Plan Sponsor's telephone number: 907-563-0220
2d Business code (see instructions): 445110

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.

Table with 4 columns: SIGN HERE, Signature, Date, and Name. Rows include: 1. Filed with authorized/valid electronic signature, 09/16/2025, LEVI ADAMS (plan administrator); 2. Filed with authorized/valid electronic signature, 09/16/2025, LEVI ADAMS (employer/plan sponsor); 3. Signature of DFE, Date, Enter name of individual signing as DFE.

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

Form 5500 (2024) v. 240311

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	138
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)	101
	6a(2)	89
	6b	28
	6c	24
	6d	141
	6e	4
	6f	145
	6g(1)	131
	6g(2)	143
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
2I 2P 2Q 3I

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

9a Plan funding arrangement (check all that apply)	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	b General Schedules
(1) <input checked="" type="checkbox"/> R (Retirement Plan Information)	(1) <input checked="" type="checkbox"/> H (Financial Information)
(2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) <input type="checkbox"/> I (Financial Information – Small Plan)
(3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(3) <input type="checkbox"/> A (Insurance Information) – Number Attached _____
(4) <input type="checkbox"/> DCG (Individual Plan Information) – Number Attached <u>0</u>	(4) <input checked="" type="checkbox"/> C (Service Provider Information)
(5) <input type="checkbox"/> MEP (Multiple-Employer Retirement Plan Information)	(5) <input type="checkbox"/> D (DFE/Participating Plan Information)
	(6) <input type="checkbox"/> G (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2024 Form M-1 annual report. If the plan was not required to file the 2024 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> 2024 This Form is Open to Public Inspection.
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For calendar plan year 2024 or fiscal plan year beginning **01/01/2024** and ending **12/29/2024**

A Name of plan SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 SAGAYA CORPORATION	D Employer Identification Number (EIN) 92-0076914	

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 2024 This Form is Open to Public Inspection
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/29/2024	
A Name of plan SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 SAGAYA CORPORATION	D Employer Identification Number (EIN) 92-0076914

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

Assets	(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	
b Receivables (less allowance for doubtful accounts):		
(1) Employer contributions	1b(1)	
(2) Participant contributions	1b(2)	
(3) Other	1b(3)	163058
c General investments:		
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	
(2) U.S. Government securities	1c(2)	
(3) Corporate debt instruments (other than employer securities):		
(A) Preferred	1c(3)(A)	
(B) All other	1c(3)(B)	
(4) Corporate stocks (other than employer securities):		
(A) Preferred	1c(4)(A)	
(B) Common	1c(4)(B)	
(5) Partnership/joint venture interests	1c(5)	
(6) Real estate (other than employer real property)	1c(6)	
(7) Loans (other than to participants)	1c(7)	
(8) Participant loans	1c(8)	
(9) Value of interest in common/collective trusts	1c(9)	
(10) Value of interest in pooled separate accounts	1c(10)	
(11) Value of interest in master trust investment accounts	1c(11)	
(12) Value of interest in 103-12 investment entities	1c(12)	
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	
(15) Other	1c(15)	

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	21834552	22696168
(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	21997610	22859226
Liabilities			
g Benefit claims payable.....	1g		
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j	1093495	2036909
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	1093495	2036909
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	20904115	20822317

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)	297475	
(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)		297475
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)		
(B) U.S. Government securities.....	2b(1)(B)		
(C) Corporate debt instruments.....	2b(1)(C)		
(D) Loans (other than to participants).....	2b(1)(D)		
(E) Participant loans.....	2b(1)(E)		
(F) Other.....	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends:			
(A) Preferred stock.....	2b(2)(A)		
(B) Common stock.....	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents.....	2b(3)		
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds.....	2b(4)(A)		
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result.....	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate.....	2b(5)(A)		
(B) Other.....	2b(5)(B)	924648	
(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		1222123

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	1242032	
(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)		1242032
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		61889
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		1303921

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-81798
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: JONES & ROTH, P.C.

(2) EIN: 93-0819646

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> 2024 This Form is Open to Public Inspection.
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/29/2024

A Name of plan <u>SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SAGAYA CORPORATION</u>	D Employer Identification Number (EIN) <u>92-0076914</u>	

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	<u>1242032</u>
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): <u>42-0127290</u>		
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 ___/___/____ (MM/DD/YYYY) and the Opinion Letter serial number _____.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULES**

For the Periods Ended December 29, 2024 and December 31, 2023



SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
For the Periods Ended December 29, 2024 and December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Trustee and Advisory Committee
Sagaya Corporation Employee Stock Ownership Plan
Anchorage, Alaska

Opinion

We have audited the accompanying financial statements of Sagaya Corporation Employee Stock Ownership Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of December 29, 2024 and December 31, 2023, and the related statements of changes in net assets available for benefits for the periods then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Sagaya Corporation Employee Stock Ownership Plan as of December 29, 2024 and December 31, 2023, and the changes in its net assets available for benefits for the periods then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Supplemental Schedules Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules, as listed in the table of contents, as of and for the period ended December 29, 2024 are presented for purposes of additional analysis and are not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards.

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

In our opinion, the information in the accompanying schedules 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 black ink that reads "Jones & Roth P.C." with a stylized ampersand between the names.

Jones & Roth, P.C.
Hillsboro, Oregon
August 28, 2025

FINANCIAL STATEMENTS

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 29, 2024 and December 31, 2023

	2024			2023		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Assets						
Investment in Sagaya Corporation common stock, at estimated fair value	\$ 17,393,861	\$ 5,302,307	\$ 22,696,168	\$ 17,014,756	\$ 4,819,796	\$ 21,834,552
Employer contribution receivable	-	163,058	163,058	-	163,058	163,058
Total assets	17,393,861	5,465,365	22,859,226	17,014,756	4,982,854	21,997,610
Liabilities						
ESOP loans payable	-	2,017,197	2,017,197	-	1,066,807	1,066,807
Accrued interest payable	-	19,712	19,712	-	26,688	26,688
Total liabilities	-	2,036,909	2,036,909	-	1,093,495	1,093,495
Net assets available for benefits	\$ 17,393,861	\$ 3,428,456	\$ 20,822,317	\$ 17,014,756	\$ 3,889,359	\$ 20,904,115

The accompanying notes are an integral part of these statements.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Periods Ended December 29, 2024 and December 31, 2023

	2024			2023		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Additions to net assets attributed to						
Investment income:						
Net appreciation in estimated fair value of common stock	\$ 509,236	\$ 415,412	\$ 924,648	\$ 2,462,058	\$ 902,889	\$ 3,364,947
Employer contributions	-	297,475	297,475	-	228,553	228,553
Allocation of 46,368 shares in 2024 and 44,722 shares in 2023 of Sagaya Corporation common stock at estimated fair value	<u>1,111,901</u>	<u>-</u>	<u>1,111,901</u>	<u>1,038,895</u>	<u>-</u>	<u>1,038,895</u>
Total additions	<u>1,621,137</u>	<u>712,887</u>	<u>2,334,024</u>	<u>3,500,953</u>	<u>1,131,442</u>	<u>4,632,395</u>
Deductions from net assets attributed to						
Interest expense	-	61,889	61,889	-	47,849	47,849
Distributions paid to participants	949,238	-	949,238	603,419	-	603,419
Diversifications	292,794	-	292,794	350,446	-	350,446
Allocation of 46,368 shares in 2024 and 44,722 shares in 2023 of Sagaya Corporation common stock at estimated fair value	<u>-</u>	<u>1,111,901</u>	<u>1,111,901</u>	<u>-</u>	<u>1,038,895</u>	<u>1,038,895</u>
Total deductions	<u>1,242,032</u>	<u>1,173,790</u>	<u>2,415,822</u>	<u>953,865</u>	<u>1,086,744</u>	<u>2,040,609</u>
Net increase (decrease) in net assets available for benefits	379,105	(460,903)	(81,798)	2,547,088	44,698	2,591,786
Net assets available for benefits, beginning of period	<u>17,014,756</u>	<u>3,889,359</u>	<u>20,904,115</u>	<u>14,467,668</u>	<u>3,844,661</u>	<u>18,312,329</u>
Net assets available for benefits, end of period	<u><u>\$ 17,393,861</u></u>	<u><u>\$ 3,428,456</u></u>	<u><u>\$ 20,822,317</u></u>	<u><u>\$ 17,014,756</u></u>	<u><u>\$ 3,889,359</u></u>	<u><u>\$ 20,904,115</u></u>

The accompanying notes are an integral part of these statements.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

1. Plan Description

The following description of Sagaya Corporation Employee Stock Ownership Plan (the Plan) is provided for general purposes only. Participants should refer to the Employee Stock Ownership Plan (ESOP) Plan Agreement for a complete description of the Plan's provisions.

General

Sagaya Corporation (the Company) established the Plan effective December 27, 2010. The Plan was designed and operates, in relevant part, as a leveraged ESOP and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code (IRC) of 1986, as amended, and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by an Advisory Committee. As of August 1, 2023, Summit Fiduciary Group, LLC serves as the independent trustee of the Plan. Alerus Financial served as the independent trustee of the Plan from August 21, 2014 through August 1, 2023. Prior to August 2014, the former shareholders of Sagaya Corporation served as the Plan's trustees. The Advisory Committee and Trustee oversee governance of the Plan. The Plan's most recent restatement was effective December 30, 2013.

The Plan purchased the Company common stock through seller-financed notes (see Note 7) guaranteed by the Company and holds the stock in a trust established under the Plan. The notes are to be repaid by fully deductible Company contributions to the trust fund. As the Plan makes each payment of principal and interest, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the IRC.

The borrowing is collateralized by the unallocated shares of stock and is guaranteed by the Company. The lender has no rights against shares once they are allocated under the ESOP. Accordingly, the financial statements of the Plan as of and for the periods ended December 29, 2024 and December 31, 2023 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).

Eligibility

Employees of the Company and its participating subsidiaries, other than ineligible employees as defined by the Plan Agreement, are eligible to participate in the Plan on the January 1 or July 1 entry date following attainment of 18 years of age and one year of service, providing they worked at least 1,000 hours during such Plan year. 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 are not eligible for an allocation of Company contributions for such year. All employees of the Company on November 11, 2011, the day the Plan was signed, were immediately eligible for participation.

Contributions

The Company is generally obligated to make contributions in cash to the Plan which, when aggregated with the Plan's dividends and interest earnings, if any, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loans. Participants are not required or permitted to make contributions to the Plan.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

1. Plan Description, continued

Payment of Benefits

No distributions from the Plan, other than diversification payments, will be made until a participant retires, becomes disabled, dies (in which case payment shall be made to their beneficiary or, if none, their legal representatives), or otherwise terminates employment with the Company and its participating subsidiaries. Because the Company is an S-corporation for federal income tax purposes, the distribution of a participant's vested interest may be made entirely in cash without granting the participant the right to demand distribution in Company stock. Alternatively, Company stock may be distributed subject to the requirement that it be resold to the trust under the Plan. The trustee may determine to distribute a participant's vested interest in substantially equal installments over a period not to exceed five years if the vested interest exceeds \$5,000.

Under the provisions of the Plan, the Company is obligated to repurchase or redeem participant shares which have been distributed under the terms of the Plan if the shares are not publicly traded or if the shares are subject to trading limitations. The Company redeemed 53,467 and 48,543 shares from participants during the Plan periods ended December 29, 2024 and December 31, 2023, respectively, at prices determined from the current independent appraisal.

As of December 29, 2024 and December 31, 2023, the vested account values of employees who had terminated employment or reached normal retirement age but not yet received distributions totaled \$6,017,884 and \$5,323,988, respectively.

Voting Rights

Each participant is entitled to exercise voting rights attributable to the shares allocated to their account on any corporate matter involving the approval or disapproval of any merger, consolidation, recapitalization, reclassification, liquidation, dissolution, or sale of substantially all assets of a trade or business or similar transaction specified in regulations under Section 409(e)(3) of the IRC and is notified by the trustee prior to the time that such rights are to be exercised. The trustee may vote allocated shares for which voting direction is not provided together with unallocated shares. The trustee is required, however, to vote any unallocated shares on behalf of the collective best interest of Plan participants and beneficiaries. Under certain unusual conditions, the trustee may override the voting directions and vote allocated shares in their own discretion, but only if in the best interest of all the participants.

Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each Plan year with an allocation of shares of the Company's common stock released by the trustee from the unallocated account and forfeitures of terminated participants' 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 the ratio of a participant's eligible compensation for the Plan year to the total eligible compensation of all participants for the Plan year.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

1. Plan Description, continued

Vesting

If a participant's employment with the Company ends for any reason other than retirement, permanent disability, or death, they will vest in the balances in their account based on total years of service with the Company. Beginning with their second year of service, participants vest 20 percent per year of service and are 100 percent vested after six years of service.

Put Option

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

Diversification

Diversification is offered to participants close to retirement so they may have the opportunity to transfer a portion of the value of their investment in Company stock into investments which are more diversified. Participants who are at least age 55 with at least ten 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 percent of the number of shares allocated to their account, less any shares previously diversified. In the sixth year, the percentage available increases to 50 percent. Participants who elect to diversify receive the option of a cash distribution or in another qualified plan sponsored by the Company.

Forfeitures

The Company contributions and Plan forfeitures are allocated to each participant's account based upon the relation of the participant's compensation to total eligible compensation for the Plan year. Forfeitures of terminated nonvested account balances allocated to remaining participants at December 29, 2024 and December 31, 2023 totaled \$12,884 and 537 shares and \$21,987 and 947 shares, respectively. Plan earnings are allocated to each participant's account based on the ratio of the participant's beginning of the year account balance to all participants' beginning of the year account balances.

Administrative Expenses

Substantially all expenses of maintaining the Plan, including administrative and professional fees, are paid by the Company and are therefore excluded from these financial statements. Certain administrative expenses may be paid from Plan assets at the trustee's election.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies

Basis of Accounting and Plan Year

The financial statements of the Plan are prepared on the accrual basis of accounting. The Plan follows the 52/53-week year of the Company. A special year-end of December 31, 2022 was approved to ensure the plan year ended during the 2022 calendar year. As a result, the Plan periods presented are from January 1, 2024 through December 29, 2024, and from January 1, 2023 through December 31, 2023.

Use of Estimates

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

Allocations

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

Investment Valuation and Income Recognition

The shares of Company common stock are reported at estimated fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. See Note 6 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported on the average cost method. Net appreciation in estimated fair value includes the Plan’s gains and losses on Company stock bought and sold as well as held during the period. Dividend income, if any, is accrued on the ex-dividend date.

Benefit Payments

Benefits are recorded when paid.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Recent Accounting Standard Adopted

On January 1, 2023, the Plan adopted Accounting Standards Update (ASU) 2016-13 Financial Instruments - Credit Losses (Topic 326): *Measurement of Credit Losses on Financial Instruments*, and all related amendments (ASC 326), which replaced the incurred loss methodology for recognizing credit losses with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. CECL requires an estimate of lifetime expected credit losses to be recognized for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts, and for the financial assets to be presented at the net amount expected to be collected on the statements of net assets available for benefits. The financial assets held by the Plan that are subject to ASC 326 are employer contributions receivable.

The Plan adopted ASC 326 effective January 1, 2023. There was no impact to the financial statements as a result of adopting this standard.

3. Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated July 9, 2015 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 and the Plan's legal counsel believe that the Plan is designed and currently being operated in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified and the related trust is tax-exempt.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the applicable taxing authorities. The Plan is subject to routine audits by tax authorities; however, there are currently no audits for any tax periods in process.

4. Administration of Plan Assets

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

Company contributions are held and managed by the trustee, who invests cash received, interest, and dividend income and makes distributions to participants. The trustee also administers the payment of interest and principal on the loan.

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Administrative expenses for the trustee's fees are paid directly by the Company. Additionally, an appointed third-party recordkeeping company, Principal Financial Group (Principal), performs various administrative and recordkeeping functions for the Plan.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

5. Investments

The Plan's investments at December 29, 2024 and December 31, 2023 are presented in the following tables. All investments are non-participant directed.

	2024	
	Allocated	Unallocated
Sagaya Corporation common shares:		
Number of shares	725,348	221,114
Cost	\$ 2,497,636	\$ 1,695,335
Estimated fair value	\$ 17,393,861	\$ 5,302,306
	2023	
	Allocated	Unallocated
Sagaya Corporation common shares:		
Number of shares	732,447	207,482
Cost	\$ 2,490,322	\$ 705,437
Estimated fair value	\$ 17,014,756	\$ 4,819,796

6. Fair Value Measurement

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.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

6. Fair Value Measurement, continued

The asset's 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 their 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 methodology used for assets measured at fair value. There have been no changes in the methodology used at December 29, 2024 and December 31, 2023.

Sagaya Corporation common stock: The fair value of the Company common stock is based on an annual independent appraisal. This appraisal was based on a combination of the market and income valuation approaches consistent with prior years. The appraiser took into account significant unobservable inputs including historical and projected cash flow and net earnings, weighted average cost of capital, market comparables, and applicable discounts and premiums. Plan management accumulates the necessary data for the appraiser from the financial statements of the Company prepared by management and reviewed by a third-party accounting firm. The appraiser prepares a preliminary report which Plan management and the ESOP Advisory Committee, under the supervision of the Company's Board of Directors, review in detail and the trustee approves. The results of this process are documented in minutes of the Advisory Committee.

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

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 29, 2024 and December 31, 2023:

	Assets at Fair Value as of December 29, 2024			
	Level 1	Level 2	Level 3	Total
Sagaya Corporation common stock	\$ -	\$ -	\$ 22,696,168	\$ 22,696,168
Total assets at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,696,168</u>	<u>\$ 22,696,168</u>
	Assets at Fair Value as of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Sagaya Corporation common stock	\$ -	\$ -	\$ 21,834,552	\$ 21,834,552
Total assets at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,834,552</u>	<u>\$ 21,834,552</u>

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

6. Fair Value Measurement, continued

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the periods ended December 29, 2024 and December 31, 2023. Realized and unrealized gains and losses are reported in the statements of changes in net assets available for benefits as net appreciation in estimated fair value of common stock.

	<u>2024</u> Sagaya Corporation <u>Common Stock</u>	<u>2023</u> Sagaya Corporation <u>Common Stock</u>
Balance, beginning of year	\$ 21,834,552	\$ 19,423,471
Redemptions, at estimated fair value	(1,242,032)	(953,866)
Purchase of shares, at estimated fair value	1,179,000	-
Unrealized gain on stock held at the reporting date	<u>924,648</u>	<u>3,364,947</u>
Balance, end of year	<u>\$ 22,696,168</u>	<u>\$ 21,834,552</u>

7. ESOP Loans Payable

In 2011, the Plan entered into a \$3,300,000 term purchase note agreement with the former shareholders of the Company to purchase all of the Company's outstanding common stock. Unallocated shares are collateral for the loan. The agreement provided for the loan to be repaid over five years. During 2015, the note was amended to extend the maturity date for an additional eleven years commencing on December 15, 2015. In addition to the extended maturity date, the Plan would make an additional principal payment of \$200,000 in November 2016. The new loan terms are reflected in the future debt payments noted below. At December 29, 2024 and December 31, 2023, the balance on this note was \$588,908 and \$771,881, respectively, and the loan interest rate is 5 percent. Per the terms of the note, the interest rate was scheduled to adjust to the prime rate plus 1.75 percent effective November 21, 2021, which resulted in no change in interest rate.

In 2011, the Plan entered into a \$1,000,000 loan agreement with the Company to provide short-term purchase funding. Unallocated shares are collateral for the loan. The agreement provides for the loan to be repaid over 15 years with interest-only payments for the years 2013 through 2016, with pre-payments allowable. The loan was amended during 2023 to include interest-only payments for the years 2023 through 2027 and extend the maturity of the loan to November 17, 2037. At December 29, 2024 and December 31, 2023, the balance of the loan was \$294,926, and the loan interest rate was 3.5 percent.

On July 17, 2024, the Plan entered into an ESOP Loan and Pledge Agreement with the Company to purchase 60,000 issued and outstanding shares of the Company's common stock for \$1,179,000. The purchase was financed with a note payable to the Company in the same amount, payable in annual installments of principal and interest, maturing on December 31, 2054. At December 29, 2024, the balance of the loan was \$1,133,363, and the loan interest rate was 4.61 percent.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

7. ESOP Loans Payable, continued

The scheduled amortization of the note principal for all agreements for the next five years and thereafter is as follows, including actual payments made subsequent to period end but counted as contributions for the prior year:

2025		\$ 210,591
2026		221,272
2027		214,379
2028		45,904
2029		47,877
Thereafter		<u>1,277,174</u>
 Total		 <u>\$ 2,017,197</u>

8. Related Party and Party in Interest Transactions

For the 2024 Plan period, total debt service payments of \$217,411 were paid to the former shareholder including \$27,462 of interest and \$189,949 of principal. For the 2023 Plan period, total debt service payments of \$217,411 were paid to the former shareholder including \$36,707 of interest and \$180,704 of principal. These party in interest transactions are exempt from the prohibited transaction rules of ERISA. The Plan's service providers are additional parties in interest under ERISA.

9. Risks and Uncertainties

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

10. Plan Termination

Although it has no plans 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 distributed to such participant or their beneficiary at the time prescribed by the Plan terms and the IRC. Upon termination of the Plan, the Advisory Committee shall direct the trustee to pay all liabilities and expenses of the trust fund and to sell shares of financed stock held in the loan suspense account to the extent it determines such sale to be necessary in order to repay the loan.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

11. Subsequent Events

Management evaluates events and transactions that occur after the statements of net assets available for benefits date as potential subsequent events. Management has performed this evaluation through the date of the independent auditor's report.

SUPPLEMENTAL SCHEDULES

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES - Schedule H, Line 4i
December 29, 2024

Employer Identification Number: 92-0076914
Plan Number: 002

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Maturity Value	(d) Cost	(e) Current Value
*	Sagaya Corporation	Common stock (946,462 shares)	\$ <u>4,192,971</u>	** \$ <u>22,696,168</u>

* The issuer of this stock is the sponsor of the Plan and thus is considered a party in interest.

** This figure represents original acquisition cost, and is not equivalent to the adjusted basis of the S corporation stock.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
SCHEDULE OF REPORTABLE TRANSACTIONS - Schedule H, Line 4j
For the Period Ended December 29, 2024

Employer Identification Number: 92-0076914

Plan Number: 002

(a) Identity of Party Involved	(b) Description of Asset	(c), (g) Purchase Price and Original Cost	(d), (h) Sale Price	(i) Net Realized Gain
Sagaya Corporation	Common stock redeemed (53,467 shares)	\$ 181,788	\$ 1,242,032	\$ 1,060,244
Sagaya Corporation	Common stock purchased (60,000 shares)	\$ 1,179,000	N/A	N/A

Note: This schedule includes any transaction or series of transactions made during the Plan period that total more than 5 percent of the assets at the beginning of the period.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULES**

For the Periods Ended December 29, 2024 and December 31, 2023



SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
For the Periods Ended December 29, 2024 and December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Trustee and Advisory Committee
Sagaya Corporation Employee Stock Ownership Plan
Anchorage, Alaska

Opinion

We have audited the accompanying financial statements of Sagaya Corporation Employee Stock Ownership Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of December 29, 2024 and December 31, 2023, and the related statements of changes in net assets available for benefits for the periods then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Sagaya Corporation Employee Stock Ownership Plan as of December 29, 2024 and December 31, 2023, and the changes in its net assets available for benefits for the periods then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Supplemental Schedules Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules, as listed in the table of contents, as of and for the period ended December 29, 2024 are presented for purposes of additional analysis and are not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards.

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

In our opinion, the information in the accompanying schedules 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 black ink that reads "Jones & Roth P.C." with a stylized ampersand between the names.

Jones & Roth, P.C.
Hillsboro, Oregon
August 28, 2025

FINANCIAL STATEMENTS

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 29, 2024 and December 31, 2023

	2024			2023		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Assets						
Investment in Sagaya Corporation common stock, at estimated fair value	\$ 17,393,861	\$ 5,302,307	\$ 22,696,168	\$ 17,014,756	\$ 4,819,796	\$ 21,834,552
Employer contribution receivable	-	163,058	163,058	-	163,058	163,058
Total assets	17,393,861	5,465,365	22,859,226	17,014,756	4,982,854	21,997,610
Liabilities						
ESOP loans payable	-	2,017,197	2,017,197	-	1,066,807	1,066,807
Accrued interest payable	-	19,712	19,712	-	26,688	26,688
Total liabilities	-	2,036,909	2,036,909	-	1,093,495	1,093,495
Net assets available for benefits	\$ 17,393,861	\$ 3,428,456	\$ 20,822,317	\$ 17,014,756	\$ 3,889,359	\$ 20,904,115

The accompanying notes are an integral part of these statements.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Periods Ended December 29, 2024 and December 31, 2023

	2024			2023		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Additions to net assets attributed to						
Investment income:						
Net appreciation in estimated fair value of common stock	\$ 509,236	\$ 415,412	\$ 924,648	\$ 2,462,058	\$ 902,889	\$ 3,364,947
Employer contributions	-	297,475	297,475	-	228,553	228,553
Allocation of 46,368 shares in 2024 and 44,722 shares in 2023 of Sagaya Corporation common stock at estimated fair value	<u>1,111,901</u>	<u>-</u>	<u>1,111,901</u>	<u>1,038,895</u>	<u>-</u>	<u>1,038,895</u>
Total additions	<u>1,621,137</u>	<u>712,887</u>	<u>2,334,024</u>	<u>3,500,953</u>	<u>1,131,442</u>	<u>4,632,395</u>
Deductions from net assets attributed to						
Interest expense	-	61,889	61,889	-	47,849	47,849
Distributions paid to participants	949,238	-	949,238	603,419	-	603,419
Diversifications	292,794	-	292,794	350,446	-	350,446
Allocation of 46,368 shares in 2024 and 44,722 shares in 2023 of Sagaya Corporation common stock at estimated fair value	<u>-</u>	<u>1,111,901</u>	<u>1,111,901</u>	<u>-</u>	<u>1,038,895</u>	<u>1,038,895</u>
Total deductions	<u>1,242,032</u>	<u>1,173,790</u>	<u>2,415,822</u>	<u>953,865</u>	<u>1,086,744</u>	<u>2,040,609</u>
Net increase (decrease) in net assets available for benefits	379,105	(460,903)	(81,798)	2,547,088	44,698	2,591,786
Net assets available for benefits, beginning of period	<u>17,014,756</u>	<u>3,889,359</u>	<u>20,904,115</u>	<u>14,467,668</u>	<u>3,844,661</u>	<u>18,312,329</u>
Net assets available for benefits, end of period	<u><u>\$ 17,393,861</u></u>	<u><u>\$ 3,428,456</u></u>	<u><u>\$ 20,822,317</u></u>	<u><u>\$ 17,014,756</u></u>	<u><u>\$ 3,889,359</u></u>	<u><u>\$ 20,904,115</u></u>

The accompanying notes are an integral part of these statements.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN NOTES TO FINANCIAL STATEMENTS

1. Plan Description

The following description of Sagaya Corporation Employee Stock Ownership Plan (the Plan) is provided for general purposes only. Participants should refer to the Employee Stock Ownership Plan (ESOP) Plan Agreement for a complete description of the Plan's provisions.

General

Sagaya Corporation (the Company) established the Plan effective December 27, 2010. The Plan was designed and operates, in relevant part, as a leveraged ESOP and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code (IRC) of 1986, as amended, and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by an Advisory Committee. As of August 1, 2023, Summit Fiduciary Group, LLC serves as the independent trustee of the Plan. Alerus Financial served as the independent trustee of the Plan from August 21, 2014 through August 1, 2023. Prior to August 2014, the former shareholders of Sagaya Corporation served as the Plan's trustees. The Advisory Committee and Trustee oversee governance of the Plan. The Plan's most recent restatement was effective December 30, 2013.

The Plan purchased the Company common stock through seller-financed notes (see Note 7) guaranteed by the Company and holds the stock in a trust established under the Plan. The notes are to be repaid by fully deductible Company contributions to the trust fund. As the Plan makes each payment of principal and interest, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the IRC.

The borrowing is collateralized by the unallocated shares of stock and is guaranteed by the Company. The lender has no rights against shares once they are allocated under the ESOP. Accordingly, the financial statements of the Plan as of and for the periods ended December 29, 2024 and December 31, 2023 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).

Eligibility

Employees of the Company and its participating subsidiaries, other than ineligible employees as defined by the Plan Agreement, are eligible to participate in the Plan on the January 1 or July 1 entry date following attainment of 18 years of age and one year of service, providing they worked at least 1,000 hours during such Plan year. 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 are not eligible for an allocation of Company contributions for such year. All employees of the Company on November 11, 2011, the day the Plan was signed, were immediately eligible for participation.

Contributions

The Company is generally obligated to make contributions in cash to the Plan which, when aggregated with the Plan's dividends and interest earnings, if any, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loans. Participants are not required or permitted to make contributions to the Plan.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

1. Plan Description, continued

Payment of Benefits

No distributions from the Plan, other than diversification payments, will be made until a participant retires, becomes disabled, dies (in which case payment shall be made to their beneficiary or, if none, their legal representatives), or otherwise terminates employment with the Company and its participating subsidiaries. Because the Company is an S-corporation for federal income tax purposes, the distribution of a participant's vested interest may be made entirely in cash without granting the participant the right to demand distribution in Company stock. Alternatively, Company stock may be distributed subject to the requirement that it be resold to the trust under the Plan. The trustee may determine to distribute a participant's vested interest in substantially equal installments over a period not to exceed five years if the vested interest exceeds \$5,000.

Under the provisions of the Plan, the Company is obligated to repurchase or redeem participant shares which have been distributed under the terms of the Plan if the shares are not publicly traded or if the shares are subject to trading limitations. The Company redeemed 53,467 and 48,543 shares from participants during the Plan periods ended December 29, 2024 and December 31, 2023, respectively, at prices determined from the current independent appraisal.

As of December 29, 2024 and December 31, 2023, the vested account values of employees who had terminated employment or reached normal retirement age but not yet received distributions totaled \$6,017,884 and \$5,323,988, respectively.

Voting Rights

Each participant is entitled to exercise voting rights attributable to the shares allocated to their account on any corporate matter involving the approval or disapproval of any merger, consolidation, recapitalization, reclassification, liquidation, dissolution, or sale of substantially all assets of a trade or business or similar transaction specified in regulations under Section 409(e)(3) of the IRC and is notified by the trustee prior to the time that such rights are to be exercised. The trustee may vote allocated shares for which voting direction is not provided together with unallocated shares. The trustee is required, however, to vote any unallocated shares on behalf of the collective best interest of Plan participants and beneficiaries. Under certain unusual conditions, the trustee may override the voting directions and vote allocated shares in their own discretion, but only if in the best interest of all the participants.

Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each Plan year with an allocation of shares of the Company's common stock released by the trustee from the unallocated account and forfeitures of terminated participants' 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 the ratio of a participant's eligible compensation for the Plan year to the total eligible compensation of all participants for the Plan year.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

1. Plan Description, continued

Vesting

If a participant's employment with the Company ends for any reason other than retirement, permanent disability, or death, they will vest in the balances in their account based on total years of service with the Company. Beginning with their second year of service, participants vest 20 percent per year of service and are 100 percent vested after six years of service.

Put Option

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

Diversification

Diversification is offered to participants close to retirement so they may have the opportunity to transfer a portion of the value of their investment in Company stock into investments which are more diversified. Participants who are at least age 55 with at least ten 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 percent of the number of shares allocated to their account, less any shares previously diversified. In the sixth year, the percentage available increases to 50 percent. Participants who elect to diversify receive the option of a cash distribution or in another qualified plan sponsored by the Company.

Forfeitures

The Company contributions and Plan forfeitures are allocated to each participant's account based upon the relation of the participant's compensation to total eligible compensation for the Plan year. Forfeitures of terminated nonvested account balances allocated to remaining participants at December 29, 2024 and December 31, 2023 totaled \$12,884 and 537 shares and \$21,987 and 947 shares, respectively. Plan earnings are allocated to each participant's account based on the ratio of the participant's beginning of the year account balance to all participants' beginning of the year account balances.

Administrative Expenses

Substantially all expenses of maintaining the Plan, including administrative and professional fees, are paid by the Company and are therefore excluded from these financial statements. Certain administrative expenses may be paid from Plan assets at the trustee's election.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies

Basis of Accounting and Plan Year

The financial statements of the Plan are prepared on the accrual basis of accounting. The Plan follows the 52/53-week year of the Company. A special year-end of December 31, 2022 was approved to ensure the plan year ended during the 2022 calendar year. As a result, the Plan periods presented are from January 1, 2024 through December 29, 2024, and from January 1, 2023 through December 31, 2023.

Use of Estimates

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

Allocations

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

Investment Valuation and Income Recognition

The shares of Company common stock are reported at estimated fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. See Note 6 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported on the average cost method. Net appreciation in estimated fair value includes the Plan’s gains and losses on Company stock bought and sold as well as held during the period. Dividend income, if any, is accrued on the ex-dividend date.

Benefit Payments

Benefits are recorded when paid.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Recent Accounting Standard Adopted

On January 1, 2023, the Plan adopted Accounting Standards Update (ASU) 2016-13 Financial Instruments - Credit Losses (Topic 326): *Measurement of Credit Losses on Financial Instruments*, and all related amendments (ASC 326), which replaced the incurred loss methodology for recognizing credit losses with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. CECL requires an estimate of lifetime expected credit losses to be recognized for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts, and for the financial assets to be presented at the net amount expected to be collected on the statements of net assets available for benefits. The financial assets held by the Plan that are subject to ASC 326 are employer contributions receivable.

The Plan adopted ASC 326 effective January 1, 2023. There was no impact to the financial statements as a result of adopting this standard.

3. Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated July 9, 2015 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 and the Plan's legal counsel believe that the Plan is designed and currently being operated in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified and the related trust is tax-exempt.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the applicable taxing authorities. The Plan is subject to routine audits by tax authorities; however, there are currently no audits for any tax periods in process.

4. Administration of Plan Assets

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

Company contributions are held and managed by the trustee, who invests cash received, interest, and dividend income and makes distributions to participants. The trustee also administers the payment of interest and principal on the loan.

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Administrative expenses for the trustee's fees are paid directly by the Company. Additionally, an appointed third-party recordkeeping company, Principal Financial Group (Principal), performs various administrative and recordkeeping functions for the Plan.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

5. Investments

The Plan's investments at December 29, 2024 and December 31, 2023 are presented in the following tables. All investments are non-participant directed.

	2024	
	Allocated	Unallocated
Sagaya Corporation common shares:		
Number of shares	725,348	221,114
Cost	\$ 2,497,636	\$ 1,695,335
Estimated fair value	\$ 17,393,861	\$ 5,302,306
	2023	
	Allocated	Unallocated
Sagaya Corporation common shares:		
Number of shares	732,447	207,482
Cost	\$ 2,490,322	\$ 705,437
Estimated fair value	\$ 17,014,756	\$ 4,819,796

6. Fair Value Measurement

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.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

6. Fair Value Measurement, continued

The asset's 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 their 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 methodology used for assets measured at fair value. There have been no changes in the methodology used at December 29, 2024 and December 31, 2023.

Sagaya Corporation common stock: The fair value of the Company common stock is based on an annual independent appraisal. This appraisal was based on a combination of the market and income valuation approaches consistent with prior years. The appraiser took into account significant unobservable inputs including historical and projected cash flow and net earnings, weighted average cost of capital, market comparables, and applicable discounts and premiums. Plan management accumulates the necessary data for the appraiser from the financial statements of the Company prepared by management and reviewed by a third-party accounting firm. The appraiser prepares a preliminary report which Plan management and the ESOP Advisory Committee, under the supervision of the Company's Board of Directors, review in detail and the trustee approves. The results of this process are documented in minutes of the Advisory Committee.

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

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 29, 2024 and December 31, 2023:

	Assets at Fair Value as of December 29, 2024			
	Level 1	Level 2	Level 3	Total
Sagaya Corporation common stock	\$ -	\$ -	\$ 22,696,168	\$ 22,696,168
Total assets at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,696,168</u>	<u>\$ 22,696,168</u>
	Assets at Fair Value as of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Sagaya Corporation common stock	\$ -	\$ -	\$ 21,834,552	\$ 21,834,552
Total assets at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,834,552</u>	<u>\$ 21,834,552</u>

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

6. Fair Value Measurement, continued

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the periods ended December 29, 2024 and December 31, 2023. Realized and unrealized gains and losses are reported in the statements of changes in net assets available for benefits as net appreciation in estimated fair value of common stock.

	<u>2024</u> Sagaya Corporation <u>Common Stock</u>	<u>2023</u> Sagaya Corporation <u>Common Stock</u>
Balance, beginning of year	\$ 21,834,552	\$ 19,423,471
Redemptions, at estimated fair value	(1,242,032)	(953,866)
Purchase of shares, at estimated fair value	1,179,000	-
Unrealized gain on stock held at the reporting date	<u>924,648</u>	<u>3,364,947</u>
Balance, end of year	<u>\$ 22,696,168</u>	<u>\$ 21,834,552</u>

7. ESOP Loans Payable

In 2011, the Plan entered into a \$3,300,000 term purchase note agreement with the former shareholders of the Company to purchase all of the Company's outstanding common stock. Unallocated shares are collateral for the loan. The agreement provided for the loan to be repaid over five years. During 2015, the note was amended to extend the maturity date for an additional eleven years commencing on December 15, 2015. In addition to the extended maturity date, the Plan would make an additional principal payment of \$200,000 in November 2016. The new loan terms are reflected in the future debt payments noted below. At December 29, 2024 and December 31, 2023, the balance on this note was \$588,908 and \$771,881, respectively, and the loan interest rate is 5 percent. Per the terms of the note, the interest rate was scheduled to adjust to the prime rate plus 1.75 percent effective November 21, 2021, which resulted in no change in interest rate.

In 2011, the Plan entered into a \$1,000,000 loan agreement with the Company to provide short-term purchase funding. Unallocated shares are collateral for the loan. The agreement provides for the loan to be repaid over 15 years with interest-only payments for the years 2013 through 2016, with pre-payments allowable. The loan was amended during 2023 to include interest-only payments for the years 2023 through 2027 and extend the maturity of the loan to November 17, 2037. At December 29, 2024 and December 31, 2023, the balance of the loan was \$294,926, and the loan interest rate was 3.5 percent.

On July 17, 2024, the Plan entered into an ESOP Loan and Pledge Agreement with the Company to purchase 60,000 issued and outstanding shares of the Company's common stock for \$1,179,000. The purchase was financed with a note payable to the Company in the same amount, payable in annual installments of principal and interest, maturing on December 31, 2054. At December 29, 2024, the balance of the loan was \$1,133,363, and the loan interest rate was 4.61 percent.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

7. ESOP Loans Payable, continued

The scheduled amortization of the note principal for all agreements for the next five years and thereafter is as follows, including actual payments made subsequent to period end but counted as contributions for the prior year:

2025		\$	210,591
2026			221,272
2027			214,379
2028			45,904
2029			47,877
Thereafter			<u>1,277,174</u>
 Total			 <u>\$ 2,017,197</u>

8. Related Party and Party in Interest Transactions

For the 2024 Plan period, total debt service payments of \$217,411 were paid to the former shareholder including \$27,462 of interest and \$189,949 of principal. For the 2023 Plan period, total debt service payments of \$217,411 were paid to the former shareholder including \$36,707 of interest and \$180,704 of principal. These party in interest transactions are exempt from the prohibited transaction rules of ERISA. The Plan's service providers are additional parties in interest under ERISA.

9. Risks and Uncertainties

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

10. Plan Termination

Although it has no plans 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 distributed to such participant or their beneficiary at the time prescribed by the Plan terms and the IRC. Upon termination of the Plan, the Advisory Committee shall direct the trustee to pay all liabilities and expenses of the trust fund and to sell shares of financed stock held in the loan suspense account to the extent it determines such sale to be necessary in order to repay the loan.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

11. Subsequent Events

Management evaluates events and transactions that occur after the statements of net assets available for benefits date as potential subsequent events. Management has performed this evaluation through the date of the independent auditor's report.

SUPPLEMENTAL SCHEDULES

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES - Schedule H, Line 4i
December 29, 2024

Employer Identification Number: 92-0076914
Plan Number: 002

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Maturity Value	(d) Cost	(e) Current Value
*	Sagaya Corporation	Common stock (946,462 shares)	\$ <u>4,192,971</u>	** \$ <u>22,696,168</u>

* The issuer of this stock is the sponsor of the Plan and thus is considered a party in interest.

** This figure represents original acquisition cost, and is not equivalent to the adjusted basis of the S corporation stock.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
SCHEDULE OF REPORTABLE TRANSACTIONS - Schedule H, Line 4j
For the Period Ended December 29, 2024

Employer Identification Number: 92-0076914

Plan Number: 002

(a) Identity of Party Involved	(b) Description of Asset	(c), (g) Purchase Price and Original Cost	(d), (h) Sale Price	(i) Net Realized Gain
Sagaya Corporation	Common stock redeemed (53,467 shares)	\$ 181,788	\$ 1,242,032	\$ 1,060,244
Sagaya Corporation	Common stock purchased (60,000 shares)	\$ 1,179,000	N/A	N/A

Note: This schedule includes any transaction or series of transactions made during the Plan period that total more than 5 percent of the assets at the beginning of the period.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULES**

For the Periods Ended December 29, 2024 and December 31, 2023



SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
For the Periods Ended December 29, 2024 and December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Trustee and Advisory Committee
Sagaya Corporation Employee Stock Ownership Plan
Anchorage, Alaska

Opinion

We have audited the accompanying financial statements of Sagaya Corporation Employee Stock Ownership Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of December 29, 2024 and December 31, 2023, and the related statements of changes in net assets available for benefits for the periods then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Sagaya Corporation Employee Stock Ownership Plan as of December 29, 2024 and December 31, 2023, and the changes in its net assets available for benefits for the periods then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Supplemental Schedules Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules, as listed in the table of contents, as of and for the period ended December 29, 2024 are presented for purposes of additional analysis and are not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards.

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

In our opinion, the information in the accompanying schedules 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 black ink that reads "Jones & Roth P.C." with a stylized ampersand between the names.

Jones & Roth, P.C.
Hillsboro, Oregon
August 28, 2025

FINANCIAL STATEMENTS

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 29, 2024 and December 31, 2023

	2024			2023		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Assets						
Investment in Sagaya Corporation common stock, at estimated fair value	\$ 17,393,861	\$ 5,302,307	\$ 22,696,168	\$ 17,014,756	\$ 4,819,796	\$ 21,834,552
Employer contribution receivable	-	163,058	163,058	-	163,058	163,058
Total assets	17,393,861	5,465,365	22,859,226	17,014,756	4,982,854	21,997,610
Liabilities						
ESOP loans payable	-	2,017,197	2,017,197	-	1,066,807	1,066,807
Accrued interest payable	-	19,712	19,712	-	26,688	26,688
Total liabilities	-	2,036,909	2,036,909	-	1,093,495	1,093,495
Net assets available for benefits	\$ 17,393,861	\$ 3,428,456	\$ 20,822,317	\$ 17,014,756	\$ 3,889,359	\$ 20,904,115

The accompanying notes are an integral part of these statements.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Periods Ended December 29, 2024 and December 31, 2023

	2024			2023		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Additions to net assets attributed to						
Investment income:						
Net appreciation in estimated fair value of common stock	\$ 509,236	\$ 415,412	\$ 924,648	\$ 2,462,058	\$ 902,889	\$ 3,364,947
Employer contributions	-	297,475	297,475	-	228,553	228,553
Allocation of 46,368 shares in 2024 and 44,722 shares in 2023 of Sagaya Corporation common stock at estimated fair value	<u>1,111,901</u>	<u>-</u>	<u>1,111,901</u>	<u>1,038,895</u>	<u>-</u>	<u>1,038,895</u>
Total additions	<u>1,621,137</u>	<u>712,887</u>	<u>2,334,024</u>	<u>3,500,953</u>	<u>1,131,442</u>	<u>4,632,395</u>
Deductions from net assets attributed to						
Interest expense	-	61,889	61,889	-	47,849	47,849
Distributions paid to participants	949,238	-	949,238	603,419	-	603,419
Diversifications	292,794	-	292,794	350,446	-	350,446
Allocation of 46,368 shares in 2024 and 44,722 shares in 2023 of Sagaya Corporation common stock at estimated fair value	<u>-</u>	<u>1,111,901</u>	<u>1,111,901</u>	<u>-</u>	<u>1,038,895</u>	<u>1,038,895</u>
Total deductions	<u>1,242,032</u>	<u>1,173,790</u>	<u>2,415,822</u>	<u>953,865</u>	<u>1,086,744</u>	<u>2,040,609</u>
Net increase (decrease) in net assets available for benefits	379,105	(460,903)	(81,798)	2,547,088	44,698	2,591,786
Net assets available for benefits, beginning of period	<u>17,014,756</u>	<u>3,889,359</u>	<u>20,904,115</u>	<u>14,467,668</u>	<u>3,844,661</u>	<u>18,312,329</u>
Net assets available for benefits, end of period	<u><u>\$ 17,393,861</u></u>	<u><u>\$ 3,428,456</u></u>	<u><u>\$ 20,822,317</u></u>	<u><u>\$ 17,014,756</u></u>	<u><u>\$ 3,889,359</u></u>	<u><u>\$ 20,904,115</u></u>

The accompanying notes are an integral part of these statements.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

1. Plan Description

The following description of Sagaya Corporation Employee Stock Ownership Plan (the Plan) is provided for general purposes only. Participants should refer to the Employee Stock Ownership Plan (ESOP) Plan Agreement for a complete description of the Plan's provisions.

General

Sagaya Corporation (the Company) established the Plan effective December 27, 2010. The Plan was designed and operates, in relevant part, as a leveraged ESOP and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code (IRC) of 1986, as amended, and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by an Advisory Committee. As of August 1, 2023, Summit Fiduciary Group, LLC serves as the independent trustee of the Plan. Alerus Financial served as the independent trustee of the Plan from August 21, 2014 through August 1, 2023. Prior to August 2014, the former shareholders of Sagaya Corporation served as the Plan's trustees. The Advisory Committee and Trustee oversee governance of the Plan. The Plan's most recent restatement was effective December 30, 2013.

The Plan purchased the Company common stock through seller-financed notes (see Note 7) guaranteed by the Company and holds the stock in a trust established under the Plan. The notes are to be repaid by fully deductible Company contributions to the trust fund. As the Plan makes each payment of principal and interest, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the IRC.

The borrowing is collateralized by the unallocated shares of stock and is guaranteed by the Company. The lender has no rights against shares once they are allocated under the ESOP. Accordingly, the financial statements of the Plan as of and for the periods ended December 29, 2024 and December 31, 2023 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).

Eligibility

Employees of the Company and its participating subsidiaries, other than ineligible employees as defined by the Plan Agreement, are eligible to participate in the Plan on the January 1 or July 1 entry date following attainment of 18 years of age and one year of service, providing they worked at least 1,000 hours during such Plan year. 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 are not eligible for an allocation of Company contributions for such year. All employees of the Company on November 11, 2011, the day the Plan was signed, were immediately eligible for participation.

Contributions

The Company is generally obligated to make contributions in cash to the Plan which, when aggregated with the Plan's dividends and interest earnings, if any, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loans. Participants are not required or permitted to make contributions to the Plan.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

1. Plan Description, continued

Payment of Benefits

No distributions from the Plan, other than diversification payments, will be made until a participant retires, becomes disabled, dies (in which case payment shall be made to their beneficiary or, if none, their legal representatives), or otherwise terminates employment with the Company and its participating subsidiaries. Because the Company is an S-corporation for federal income tax purposes, the distribution of a participant's vested interest may be made entirely in cash without granting the participant the right to demand distribution in Company stock. Alternatively, Company stock may be distributed subject to the requirement that it be resold to the trust under the Plan. The trustee may determine to distribute a participant's vested interest in substantially equal installments over a period not to exceed five years if the vested interest exceeds \$5,000.

Under the provisions of the Plan, the Company is obligated to repurchase or redeem participant shares which have been distributed under the terms of the Plan if the shares are not publicly traded or if the shares are subject to trading limitations. The Company redeemed 53,467 and 48,543 shares from participants during the Plan periods ended December 29, 2024 and December 31, 2023, respectively, at prices determined from the current independent appraisal.

As of December 29, 2024 and December 31, 2023, the vested account values of employees who had terminated employment or reached normal retirement age but not yet received distributions totaled \$6,017,884 and \$5,323,988, respectively.

Voting Rights

Each participant is entitled to exercise voting rights attributable to the shares allocated to their account on any corporate matter involving the approval or disapproval of any merger, consolidation, recapitalization, reclassification, liquidation, dissolution, or sale of substantially all assets of a trade or business or similar transaction specified in regulations under Section 409(e)(3) of the IRC and is notified by the trustee prior to the time that such rights are to be exercised. The trustee may vote allocated shares for which voting direction is not provided together with unallocated shares. The trustee is required, however, to vote any unallocated shares on behalf of the collective best interest of Plan participants and beneficiaries. Under certain unusual conditions, the trustee may override the voting directions and vote allocated shares in their own discretion, but only if in the best interest of all the participants.

Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each Plan year with an allocation of shares of the Company's common stock released by the trustee from the unallocated account and forfeitures of terminated participants' 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 the ratio of a participant's eligible compensation for the Plan year to the total eligible compensation of all participants for the Plan year.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

1. Plan Description, continued

Vesting

If a participant's employment with the Company ends for any reason other than retirement, permanent disability, or death, they will vest in the balances in their account based on total years of service with the Company. Beginning with their second year of service, participants vest 20 percent per year of service and are 100 percent vested after six years of service.

Put Option

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

Diversification

Diversification is offered to participants close to retirement so they may have the opportunity to transfer a portion of the value of their investment in Company stock into investments which are more diversified. Participants who are at least age 55 with at least ten 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 percent of the number of shares allocated to their account, less any shares previously diversified. In the sixth year, the percentage available increases to 50 percent. Participants who elect to diversify receive the option of a cash distribution or in another qualified plan sponsored by the Company.

Forfeitures

The Company contributions and Plan forfeitures are allocated to each participant's account based upon the relation of the participant's compensation to total eligible compensation for the Plan year. Forfeitures of terminated nonvested account balances allocated to remaining participants at December 29, 2024 and December 31, 2023 totaled \$12,884 and 537 shares and \$21,987 and 947 shares, respectively. Plan earnings are allocated to each participant's account based on the ratio of the participant's beginning of the year account balance to all participants' beginning of the year account balances.

Administrative Expenses

Substantially all expenses of maintaining the Plan, including administrative and professional fees, are paid by the Company and are therefore excluded from these financial statements. Certain administrative expenses may be paid from Plan assets at the trustee's election.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies

Basis of Accounting and Plan Year

The financial statements of the Plan are prepared on the accrual basis of accounting. The Plan follows the 52/53-week year of the Company. A special year-end of December 31, 2022 was approved to ensure the plan year ended during the 2022 calendar year. As a result, the Plan periods presented are from January 1, 2024 through December 29, 2024, and from January 1, 2023 through December 31, 2023.

Use of Estimates

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

Allocations

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

Investment Valuation and Income Recognition

The shares of Company common stock are reported at estimated fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. See Note 6 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported on the average cost method. Net appreciation in estimated fair value includes the Plan’s gains and losses on Company stock bought and sold as well as held during the period. Dividend income, if any, is accrued on the ex-dividend date.

Benefit Payments

Benefits are recorded when paid.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Recent Accounting Standard Adopted

On January 1, 2023, the Plan adopted Accounting Standards Update (ASU) 2016-13 Financial Instruments - Credit Losses (Topic 326): *Measurement of Credit Losses on Financial Instruments*, and all related amendments (ASC 326), which replaced the incurred loss methodology for recognizing credit losses with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. CECL requires an estimate of lifetime expected credit losses to be recognized for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts, and for the financial assets to be presented at the net amount expected to be collected on the statements of net assets available for benefits. The financial assets held by the Plan that are subject to ASC 326 are employer contributions receivable.

The Plan adopted ASC 326 effective January 1, 2023. There was no impact to the financial statements as a result of adopting this standard.

3. Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated July 9, 2015 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 and the Plan's legal counsel believe that the Plan is designed and currently being operated in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified and the related trust is tax-exempt.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the applicable taxing authorities. The Plan is subject to routine audits by tax authorities; however, there are currently no audits for any tax periods in process.

4. Administration of Plan Assets

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

Company contributions are held and managed by the trustee, who invests cash received, interest, and dividend income and makes distributions to participants. The trustee also administers the payment of interest and principal on the loan.

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Administrative expenses for the trustee's fees are paid directly by the Company. Additionally, an appointed third-party recordkeeping company, Principal Financial Group (Principal), performs various administrative and recordkeeping functions for the Plan.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

5. Investments

The Plan's investments at December 29, 2024 and December 31, 2023 are presented in the following tables. All investments are non-participant directed.

	2024	
	Allocated	Unallocated
Sagaya Corporation common shares:		
Number of shares	725,348	221,114
Cost	\$ 2,497,636	\$ 1,695,335
Estimated fair value	\$ 17,393,861	\$ 5,302,306
	2023	
	Allocated	Unallocated
Sagaya Corporation common shares:		
Number of shares	732,447	207,482
Cost	\$ 2,490,322	\$ 705,437
Estimated fair value	\$ 17,014,756	\$ 4,819,796

6. Fair Value Measurement

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.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

6. Fair Value Measurement, continued

The asset's 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 their 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 methodology used for assets measured at fair value. There have been no changes in the methodology used at December 29, 2024 and December 31, 2023.

Sagaya Corporation common stock: The fair value of the Company common stock is based on an annual independent appraisal. This appraisal was based on a combination of the market and income valuation approaches consistent with prior years. The appraiser took into account significant unobservable inputs including historical and projected cash flow and net earnings, weighted average cost of capital, market comparables, and applicable discounts and premiums. Plan management accumulates the necessary data for the appraiser from the financial statements of the Company prepared by management and reviewed by a third-party accounting firm. The appraiser prepares a preliminary report which Plan management and the ESOP Advisory Committee, under the supervision of the Company's Board of Directors, review in detail and the trustee approves. The results of this process are documented in minutes of the Advisory Committee.

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

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 29, 2024 and December 31, 2023:

	Assets at Fair Value as of December 29, 2024			
	Level 1	Level 2	Level 3	Total
Sagaya Corporation common stock	\$ -	\$ -	\$ 22,696,168	\$ 22,696,168
Total assets at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,696,168</u>	<u>\$ 22,696,168</u>
	Assets at Fair Value as of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Sagaya Corporation common stock	\$ -	\$ -	\$ 21,834,552	\$ 21,834,552
Total assets at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,834,552</u>	<u>\$ 21,834,552</u>

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

6. Fair Value Measurement, continued

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the periods ended December 29, 2024 and December 31, 2023. Realized and unrealized gains and losses are reported in the statements of changes in net assets available for benefits as net appreciation in estimated fair value of common stock.

	<u>2024</u> Sagaya Corporation Common Stock	<u>2023</u> Sagaya Corporation Common Stock
Balance, beginning of year	\$ 21,834,552	\$ 19,423,471
Redemptions, at estimated fair value	(1,242,032)	(953,866)
Purchase of shares, at estimated fair value	1,179,000	-
Unrealized gain on stock held at the reporting date	<u>924,648</u>	<u>3,364,947</u>
Balance, end of year	<u>\$ 22,696,168</u>	<u>\$ 21,834,552</u>

7. ESOP Loans Payable

In 2011, the Plan entered into a \$3,300,000 term purchase note agreement with the former shareholders of the Company to purchase all of the Company's outstanding common stock. Unallocated shares are collateral for the loan. The agreement provided for the loan to be repaid over five years. During 2015, the note was amended to extend the maturity date for an additional eleven years commencing on December 15, 2015. In addition to the extended maturity date, the Plan would make an additional principal payment of \$200,000 in November 2016. The new loan terms are reflected in the future debt payments noted below. At December 29, 2024 and December 31, 2023, the balance on this note was \$588,908 and \$771,881, respectively, and the loan interest rate is 5 percent. Per the terms of the note, the interest rate was scheduled to adjust to the prime rate plus 1.75 percent effective November 21, 2021, which resulted in no change in interest rate.

In 2011, the Plan entered into a \$1,000,000 loan agreement with the Company to provide short-term purchase funding. Unallocated shares are collateral for the loan. The agreement provides for the loan to be repaid over 15 years with interest-only payments for the years 2013 through 2016, with pre-payments allowable. The loan was amended during 2023 to include interest-only payments for the years 2023 through 2027 and extend the maturity of the loan to November 17, 2037. At December 29, 2024 and December 31, 2023, the balance of the loan was \$294,926, and the loan interest rate was 3.5 percent.

On July 17, 2024, the Plan entered into an ESOP Loan and Pledge Agreement with the Company to purchase 60,000 issued and outstanding shares of the Company's common stock for \$1,179,000. The purchase was financed with a note payable to the Company in the same amount, payable in annual installments of principal and interest, maturing on December 31, 2054. At December 29, 2024, the balance of the loan was \$1,133,363, and the loan interest rate was 4.61 percent.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

7. ESOP Loans Payable, continued

The scheduled amortization of the note principal for all agreements for the next five years and thereafter is as follows, including actual payments made subsequent to period end but counted as contributions for the prior year:

2025		\$ 210,591
2026		221,272
2027		214,379
2028		45,904
2029		47,877
Thereafter		<u>1,277,174</u>
 Total		 <u>\$ 2,017,197</u>

8. Related Party and Party in Interest Transactions

For the 2024 Plan period, total debt service payments of \$217,411 were paid to the former shareholder including \$27,462 of interest and \$189,949 of principal. For the 2023 Plan period, total debt service payments of \$217,411 were paid to the former shareholder including \$36,707 of interest and \$180,704 of principal. These party in interest transactions are exempt from the prohibited transaction rules of ERISA. The Plan's service providers are additional parties in interest under ERISA.

9. Risks and Uncertainties

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

10. Plan Termination

Although it has no plans 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 distributed to such participant or their beneficiary at the time prescribed by the Plan terms and the IRC. Upon termination of the Plan, the Advisory Committee shall direct the trustee to pay all liabilities and expenses of the trust fund and to sell shares of financed stock held in the loan suspense account to the extent it determines such sale to be necessary in order to repay the loan.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

11. Subsequent Events

Management evaluates events and transactions that occur after the statements of net assets available for benefits date as potential subsequent events. Management has performed this evaluation through the date of the independent auditor's report.

SUPPLEMENTAL SCHEDULES

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES - Schedule H, Line 4i
December 29, 2024

Employer Identification Number: 92-0076914

Plan Number: 002

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Maturity Value	(d) Cost	(e) Current Value
*	Sagaya Corporation	Common stock (946,462 shares)	\$ <u>4,192,971</u>	** \$ <u>22,696,168</u>

* The issuer of this stock is the sponsor of the Plan and thus is considered a party in interest.

** This figure represents original acquisition cost, and is not equivalent to the adjusted basis of the S corporation stock.

SAGAYA CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
SCHEDULE OF REPORTABLE TRANSACTIONS - Schedule H, Line 4j
For the Period Ended December 29, 2024

Employer Identification Number: 92-0076914

Plan Number: 002

(a) Identity of Party Involved	(b) Description of Asset	(c), (g) Purchase Price and Original Cost	(d), (h) Sale Price	(i) Net Realized Gain
Sagaya Corporation	Common stock redeemed (53,467 shares)	\$ 181,788	\$ 1,242,032	\$ 1,060,244
Sagaya Corporation	Common stock purchased (60,000 shares)	\$ 1,179,000	N/A	N/A

Note: This schedule includes any transaction or series of transactions made during the Plan period that total more than 5 percent of the assets at the beginning of the period.