

<p style="text-align: center;">Form 5500</p> <p style="font-size: small;">Department of the Treasury Internal Revenue Service</p> <hr/> <p style="font-size: small;">Department of Labor Employee Benefits Security Administration</p> <hr/> <p style="font-size: x-small;">Pension Benefit Guaranty Corporation</p>	<p>Annual Return/Report of Employee Benefit Plan</p> <p style="font-size: x-small;">This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).</p> <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	<p style="font-size: x-small;">OMB Nos. 1210-0110 1210-0089</p> <hr/> <p style="font-size: large; font-weight: bold; text-align: center;">2024</p> <hr/> <p style="text-align: center; font-weight: bold;">This Form is Open to Public Inspection</p>
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Part I Annual Report Identification Information
 For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

A This return/report is for: a multiemployer plan a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.)

a single-employer plan a DFE (specify) _____

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

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

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

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

special extension (enter description)

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

Part II Basic Plan Information—enter all requested information

<p>1a Name of plan <u>MALK EMPLOYEE STOCK OWNERSHIP PLAN</u></p>	<p>1b Three-digit plan number (PN) ▶ <u>002</u></p>
<p>2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>MALK SUSTAINABILITY PARTNERS, LLC</u></p> <p><u>7911 HERSCHEL AVE 4TH FLOOR</u> <u>LA JOLLA, CA 92037</u></p>	<p>1c Effective date of plan <u>01/01/2020</u></p> <p>2b Employer Identification Number (EIN) <u>46-4784414</u></p> <p>2c Plan Sponsor's telephone number <u>858-914-1128</u></p> <p>2d Business code (see instructions) <u>541600</u></p>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/03/2025	DALIA GATOFF
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/03/2025	DALIA GATOFF
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	3b Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN	
	4d PN	
5 Total number of participants at the beginning of the plan year	5	130
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)	69
	6a(2)	0
	6b	0
	6c	130
	6d	130
	6e	0
	6f	130
	6g(1)	126
	6g(2)	130
h	0	
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

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

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

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) <input type="checkbox"/> Insurance	(1) <input type="checkbox"/> Insurance
(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts	(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts
(3) <input checked="" type="checkbox"/> Trust	(3) <input checked="" type="checkbox"/> Trust
(4) <input type="checkbox"/> General assets of the sponsor	(4) <input type="checkbox"/> General assets of the sponsor

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

a Pension Schedules

- (1) **R** (Retirement Plan Information)
- (2) **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
- (4) **DCG** (Individual Plan Information) – Number Attached 0
- (5) **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1) **H** (Financial Information)
- (2) **I** (Financial Information – Small Plan)
- (3) **A** (Insurance Information) – Number Attached _____
- (4) **C** (Service Provider Information)
- (5) **D** (DFE/Participating Plan Information)
- (6) **G** (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 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 **12/31/2024**

A Name of plan MALK EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 MALK SUSTAINABILITY PARTNERS, LLC	D Employer Identification Number (EIN) 46-4784414	

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.	<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 12/31/2024	
A Name of plan MALK EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 MALK SUSTAINABILITY PARTNERS, LLC	D Employer Identification Number (EIN) 46-4784414

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

		(a) Beginning of Year	(b) End of Year
Assets			
a Total noninterest-bearing cash	1a	148	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	2506102	
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		12360090
(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)	8191800	
(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	10698050	12360090
Liabilities			
g Benefit claims payable.....	1g		
h Operating payables.....	1h	148	
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j	4051205	
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	4051353	0
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	6646697	12360090

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)	1594388	
(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)		1594388
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	95090	
(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)		95090
(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)	4073200	
(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		5762678

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	0	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		0
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		49285
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		49285

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		5713393
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: LEVITZACKS CPAS, LLP

(2) EIN: 99-0515975

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 0.

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 **12/31/2024**

A Name of plan MALK EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN)	002
C Plan sponsor's name as shown on line 2a of Form 5500 MALK SUSTAINABILITY PARTNERS, LLC	D Employer Identification Number (EIN) 46-4784414	

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions..... **1** **0**

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):
EIN(s): 42-0127290

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a Enter the percentage of plan assets held as:
 Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____%
 High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____%

b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:
 0-5 years 5-10 years 10-15 years 15 years or more

20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? Yes No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:
 Yes.
 No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.
 No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.
 No. Other. Provide explanation: _____

Part VII IRS Compliance Questions

21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? Yes No

21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).
 Design-based safe harbor method
 "Prior year" ADP test
 "Current year" ADP test
 N/A

22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter ___/___/____ (MM/DD/YYYY) and the Opinion Letter serial number _____.

Malk Employee Stock Ownership Plan
Financial Statements and Supplemental Schedules
December 31, 2024 and 2023

LEVITZACKS CPAs, LLP
451 A STREET, SUITE 500
SAN DIEGO, CA 92101



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Trustee of
Malk Employee Stock Ownership Plan
San Diego, California

Opinion

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

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the net assets available for benefits of Malk Employee Stock Ownership Plan as of December 31, 2024 (in liquidation) and 2023 (ongoing), and the changes in its net assets available for benefits for the years ended December 31, 2024 (in liquidation) and 2023 (ongoing), 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 Malk Employee Stock Ownership Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter—Plan Termination and Liquidation Basis of Accounting

As discussed in Note 1 to the financial statements, the governing body of Malk Employee Stock Ownership Plan approved a plan of liquidation on October 8, 2024, and management determined liquidation is imminent. As a result, the Plan has changed its basis of accounting from the going concern basis used in presenting the 2023 financial statements to the liquidation basis used in presenting the 2024 financial statements. Our opinion is not modified with respect to this matter.

Z

INDEPENDENT AUDITOR'S REPORT (continued)

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.

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.

Z

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 Malk 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.

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 of Assets (Held at End of Year) and Schedule of Reportable Transactions as of and for the year ended December 31, 2024 are presented for the purpose of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with 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.

Z

INDEPENDENT AUDITOR'S REPORT
(continued)

Supplemental Schedules Required by ERISA (continued)

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 is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

LevitZacks

LEVITZACKS CPAs, LLP
San Diego, California
September 26, 2025

Malk Employee Stock Ownership Plan
Statements of Net Assets Available for Benefits
December 31, 2024 (in liquidation) and 2023 (ongoing)

	2024 (Liquidation Basis)			2023 (Ongoing Basis)		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Assets:						
Investments:						
Interest bearing cash	\$ 12,360,090	\$ -	\$ 12,360,090	\$ -	\$ -	\$ -
Malk Sustainability Partners, LLC Class B ESOP convertible preferred stock, at estimated fair value	-	-	-	4,003,890	4,187,910	8,191,800
Total investments	12,360,090	-	12,360,090	4,003,890	4,187,910	8,191,800
Other Assets:						
Accrued interest on interest bearing cash	195,067	-	195,067	-	-	-
Non-interest bearing cash	-	-	-	-	148	148
Company contributions receivable	-	-	-	-	2,506,102	2,506,102
Total other assets	195,067	-	195,067	-	2,506,250	2,506,250
Total assets	12,555,157	-	12,555,157	4,003,890	6,694,160	10,698,050
Liabilities:						
Estimated distributions payable	12,435,620	-	12,435,620	-	-	-
Operating payables	119,537	-	119,537	-	148	148
Note payable	-	-	-	-	4,051,205	4,051,205
Total liabilities	12,555,157	-	12,555,157	-	4,051,353	4,051,353
Net assets available for benefits	\$ -	\$ -	\$ -	\$ 4,003,890	\$ 2,642,807	\$ 6,646,697

See accompanying notes to financial statements.

Malk Employee Stock Ownership Plan
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2024 (in liquidation) and 2023 (ongoing)

	2024 (Liquidation Basis)			2023 (Ongoing Basis)		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Additions to net assets:						
Company contributions	\$ -	\$ 1,594,388	\$ 1,594,388	\$ -	\$ 2,506,102	\$ 2,506,102
Interest income on interest bearing cash	290,157	-	290,157	-	-	-
Net appreciation in fair value of Malk Sustainability Partners, LLC Class B ESOP convertible preferred stock	1,990,850	2,082,350	4,073,200	-	-	-
Dividend income on Malk Sustainability Partners, LLC Class B ESOP convertible preferred stock	-	-	-	279,675	508,924	788,599
Allocation of 15,337 and 4,024 shares, respectively, of Malk Sustainability Partners, LLC Class B ESOP convertible preferred stock, at estimated fair value for the years ended December 31, 2024 and 2023, respectively	6,270,260	-	6,270,260	1,098,681	-	1,098,681
Transfer of assets from allocated to unallocated	-	-	-	-	279,675	279,675
Total additions	8,551,267	3,676,738	12,228,005	1,378,356	3,294,701	4,673,057
Deductions from net assets:						
Net assets in liquidation	12,435,620	-	12,435,620	-	-	-
Allocation of 15,337 and 4,024 shares, respectively, of Malk Sustainability Partners, LLC Class B ESOP convertible preferred stock, at estimated fair value for the years ended December 31, 2024 and 2023, respectively	-	6,270,260	6,270,260	-	1,098,681	1,098,681
Net depreciation in fair value of Malk Sustainability Partners, LLC Class B ESOP convertible preferred stock	-	-	-	160,017	291,183	451,200
Interest expense	-	49,285	49,285	-	82,768	82,768
Administrative expenses	119,537	-	119,537	-	200	200
Transfer of assets from allocated to unallocated	-	-	-	279,675	-	279,675
Total deductions	12,555,157	6,319,545	18,874,702	439,692	1,472,832	1,912,524
Net increase (decrease)	(4,003,890)	(2,642,807)	(6,646,697)	938,664	1,821,869	2,760,533
Net assets available for benefits:						
Beginning of year	4,003,890	2,642,807	6,646,697	3,065,226	820,938	3,886,164
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,003,890</u>	<u>\$ 2,642,807</u>	<u>\$ 6,646,697</u>

See accompanying notes to financial statements.

Malk Employee Stock Ownership Plan
Notes to Financial Statements
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 1. DESCRIPTION OF THE PLAN

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

General

Malk Sustainability Partners, LLC (the Company) established the Plan, an employee stock ownership plan (ESOP), effective January 1, 2020. The Plan is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986 (IRC), as amended, and is subject to the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by the Company and an administrative committee appointed by the Company's Board of Directors. An independent third-party serves as the Plan's Trustee.

In September 2021, the Plan acquired 30,000 shares of Company Class B ESOP Convertible Preferred Stock (ESOP stock) by issuing notes payable of \$2,960,000 to the selling shareholder (Seller Note) and \$5,340,000 to the Company (the ESOP Loan). During September 2021, the Plan repaid \$690,815 of principal on the ESOP Loan. In October 2021, the Seller Note and ESOP Loan were assumed by the Company in exchange for a note payable from the Plan to the Company of \$7,609,185 (Internal Note).

The Seller Note and ESOP Loan were collateralized by the unallocated shares of the ESOP stock and guaranteed by the Company. As the Plan made each payment of principal and interest on the Internal Note, an appropriate percentage of shares were allocated to eligible employees' accounts in accordance with applicable regulations under the IRC. The lenders had no collateral rights against the shares once they were allocated under the ESOP. As of December 31, 2024 and 2023, -0- and 15,337 shares, respectively, remain unallocated to participant accounts. Accordingly, the financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to:

- a) The accounts of participants with vested and nonvested rights in allocated shares (allocated), and
- b) Shares not yet allocated to participants (unallocated).

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 1. DESCRIPTION OF THE PLAN (continued)

Plan Termination

On September 16, 2024, the Company, the Trustee, and a third-party entered into a stock purchase agreement and the Company terminated the Plan, effective October 8, 2024 (the Termination Date), subject to the provisions of ERISA. In conjunction with the termination, i) the participants' accounts were credited with proceeds from the sale of the ESOP stock allocated to such participants, ii) the Plan ceased to be an employee stock ownership plan and iii) became a terminating profit-sharing plan. Until all assets are fully distributed, the Trustee will invest the Plan assets as directed by the Plan Administrator. As of the termination date, no further Company contributions will be made, nor accepted by the Plan. Final distributions will be determined based on all participants being 100% vested, and will be made as soon as practicable after the Termination Date.

Eligibility

Employees of the Company who were not covered under collective bargaining agreements were eligible to participate in the Plan as of the first day of the plan year in which the employee attained age 18. Participants who did not have at least 1,000 hours of service or who were not employed on the last day of the plan year were not eligible to receive company contributions or stock allocations for that year, unless the participant did not meet these requirements due to normal retirement, death, or disability during the year. No new participants shall enter the Plan on or after the Termination Date.

Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Prior to 2024, each participant's account was credited as of the last day of each Plan year with an allocation of contributions and an allocation of forfeitures of terminated participants' non-vested accounts. During the year ended December 31, 2024, each participant's account was credited as of the Termination Date with an allocation of contributions and an allocation of forfeitures of terminated participants' non-vested accounts.

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 1. DESCRIPTION OF THE PLAN (continued)

Participant Accounts (continued)

In general, only those participants who were eligible employees of the Company as of the last day of the year would receive an allocation. Allocations of contributions, unallocated dividends, and forfeitures were based on a participant's eligible compensation, relative to total compensation. Dividends on allocated plan assets were 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.

Contributions

The Company could make contributions to the Plan at its discretion. As of the Termination Date, no new contributions shall be made to the Plan, except for corrective contributions or any other contributions required by the IRS. There were \$1,594,388 and \$2,506,102 of discretionary employer contributions for the years ended December 31, 2024 and 2023, respectively, for additional funding to pay down the Internal Note. Participants are not permitted to make contributions to the Plan.

Company Dividends

The Company paid dividends to the Plan totaling \$-0- and \$788,599 during the years ended December 31, 2024 and 2023, respectively. Dividends paid to allocated shares totaling \$-0- and \$279,675 were used to pay down the Internal Note during the years ended December 31, 2024 and 2023, respectively. This is presented as a transfer from the allocated accounts to unallocated accounts on the statement of changes in net assets available for benefits.

Benefits

As of the Termination Date, the accounts maintained by participants were credited with proceeds from the sale of the ESOP stock allocated to such participants. Final distributions will be determined based on all participants being 100% vested, and will be made as soon as practicable after the Termination Date. Participant accounts are distributed in cash. No portion of a participant's benefit can be distributed in-kind.

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 1. DESCRIPTION OF THE PLAN (continued)

Vesting

Participants whose employment with the Company ended due to normal retirement, death, or disability became fully vested in their account when that event occurred. If a participant's employment with the Company ended for any reason other than normal retirement, death, or disability, vesting was based on total years of service. Eligible participants meeting the age and minimum hour requirements began vesting after one year of service and become 100% vested after four years of service. As of the Termination Date, the accounts of Plan participants became fully vested and nonforfeitable.

Voting Rights

Shares of ESOP stock were voted by the Trustee, as directed by the plan participants. Under certain conditions (i.e. corporate merger or consolidation, liquidation, dissolution, etc.), each participant was entitled to exercise voting rights attributable to the shares allocated to his or her account. The Trustee was required to vote any unallocated shares in a manner determined to be consistent with ERISA and the IRC.

Put Option

The ESOP stock held by the Plan and its participants was not readily tradable on an established market. Therefore, in accordance with federal income tax regulations, the ESOP stock included a put option.

Diversification

Diversification was offered to participants close to retirement so that they had the opportunity to move part of the value of their investment in ESOP stock into investments which are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan could elect to diversify a portion of their account. Diversification was offered to each eligible participant over a six-year period. In each of the first five years, a participant could diversify up to 25% of the number of shares of ESOP stock allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. No further diversification elections are permitted on or after the Termination Date.

Forfeitures

ESOP stock forfeitures are allocated back to eligible participants. During 2024 and 2023, there were no ESOP stock forfeitures.

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 2. SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting

Management determined liquidation was imminent as of the Termination Date. As a result, the Plan changed its basis of accounting from the going concern basis used in the presentation of the 2023 financial statements to the liquidation basis used in the presentation of the 2024 financial statements. Under the liquidation basis of accounting, the financial statements are prepared to reflect the estimated realizable value of assets and the expected settlement amounts of liabilities, including costs expected to be incurred during the liquidation period.

Cash

Cash includes cash in money market accounts with a bank. The Plan maintains cash balances with the bank that may, at times, exceed federally insured limits. The cash is held for participant distributions.

Investment Valuation and Income Recognition

The ESOP shares of the Company were valued at estimated fair value based on an independent appraisal. Dividend income, if any, was recognized on the ex-dividend date. Net appreciation or depreciation in the estimated fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year. See Note 4 for discussion of fair value measurements.

Payment of Benefits

Benefits are recorded when paid.

Estimates

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

Administrative Expenses

Substantially all expenses for maintaining the Plan are paid by the Company.

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 3. INVESTMENTS

The Plan's investments in ESOP stock are presented in the following table:

	December 31, 2023	
	Allocated	Unallocated
Number of shares	14,663	15,337
Cost	\$ 4,056,774	\$ 4,243,226
Fair value per share	\$ 273.06	\$ 273.06
Fair value	\$ 4,003,890	\$ 4,187,910

Note 4. FAIR VALUE MEASUREMENTS

FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels:

Level 1 Fair Value Measurements

Fair values are based on publicly quoted prices in active markets for identical assets.

Level 2 Fair Value Measurements

Fair values are based on observable inputs other than publicly quoted prices in active markets for identical assets.

Level 3 Fair Value Measurements

Fair values are based on unobservable inputs used for valuing the asset.

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 4. FAIR VALUE MEASUREMENTS (continued)

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

Fair Value Measurements as of December 31, 2024 Using:

	Level 1	Level 2	Level 3	Total
Interest bearing cash	\$ 12,360,090	\$ -	\$ -	\$ 12,360,090
Total investments	\$ 12,360,090	\$ -	\$ -	\$ 12,360,090

Fair Value Measurements as of December 31, 2023 Using:

	Level 1	Level 2	Level 3	Total
ESOP stock	\$ -	\$ -	\$ 8,191,800	\$ 8,191,800
Total investments	\$ -	\$ -	\$ 8,191,800	\$ 8,191,800

The following table discloses the summary of changes in the fair value of the Plan's Level 3 investment assets for the year ended December 31, 2024:

	ESOP Stock
Balance, beginning of year	\$ 8,191,800
Realized appreciation in estimated fair value	4,073,200
Sale of ESOP stock	(12,265,000)
Balance, end of year	\$ -

Note upon sale of ESOP stock, the level 3 investment was transferred to a level 1 investment (interest bearing cash).

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 4. FAIR VALUE MEASUREMENTS (continued)

The following table discloses the summary of changes in the fair value of the Plan's Level 3 investment assets for the year ended December 31, 2023:

	ESOP Stock
Balance, beginning of year	\$ 8,643,000
Unrealized depreciation in estimated fair value	(451,200)
Balance, end of year	\$ 8,191,800

The following is a description of the valuation methodologies used for level 3 investments measured at fair value:

ESOP stock: Valued at fair value based upon an independent appraisal. This appraisal was based upon a combination of the market approach, which included both the guideline public companies and guideline transactions methods, and the income approach, which included the discounted cash flow method.

The following table sets forth the basic valuation techniques and inputs used in arriving at fair value:

Instrument	Valuation Technique	Unobservable Inputs
ESOP stock	Market Approach:	
	<ul style="list-style-type: none"> - Guideline Public Companies Method - Guideline Transaction Method 	<ul style="list-style-type: none"> - Comparability of guideline companies to subject company - Earnings multiples
	Income Approach:	
	<ul style="list-style-type: none"> - Discounted Cash Flow 	<ul style="list-style-type: none"> - Weighted-average cost of capital - Estimates of future cash flows

The valuation process involves Plan management selecting an independent appraiser. Plan management accumulates the data for the appraiser from reviewed financial statements of the Company, other financial information, and a five-year projection along with backlog data. The appraiser performs interviews of Company personnel related to business conditions and business development. The appraiser then prepares a preliminary report that Plan management reviews in detail. The appraisal is approved by the Trustee.

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 4. FAIR VALUE MEASUREMENTS (continued)

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

Note 5. NOTE PAYABLE

In September 2021, the Plan issued notes payable of \$2,960,000 to the selling shareholder (Seller Note) and \$5,340,000 to the Company (the ESOP Loan) to acquire 30,000 ESOP shares. During September 2021, the Plan repaid \$690,815 of principal on the ESOP Loan. In October 2021, the Seller Note and ESOP Loan were assumed by the Company in exchange for a note payable from the Plan to the Company of \$7,609,185 (Internal Note). The Internal Note originally required annual payments of \$580,731 consisting of principal plus 1.74% interest per annum, through 2035. Principal and interest payments were funded by Company contributions to the Plan and by dividend income received on Plan investments. The Plan Administrative Committee and Trustee could elect to make additional payments on the internal note. There were circumstances where the Plan Administrative Committee and Trustee made this election after the Plan year had ended. Additional payments of the internal note for the Plan year ended December 31, 2023, totaling \$2,506,102 were not made until September 2024 and were recorded as Company contributions receivable on the statement of net assets available for benefits as of December 31, 2023. The additional loan payments were included in the allocation of shares to participant accounts for the year ended December 31, 2023, however, the shares were not considered legally released, and, accordingly, were included in unallocated net assets available for benefits as of December 31, 2023. Due to the, as of December 31, 2023, the internal note was re-amortized and required annual payments of \$146,552, consisting of principal plus 1.74% interest per annum, through 2035. The Plan repaid the remaining \$4,051,205 of principal on the Internal Note during 2024, prior to the Termination Date.

The note was collateralized by unallocated shares of ESOP stock. Shares were released from collateral and allocated to participants as payments of principal and interest were made. The number of shares released each year was the number of unallocated shares at the beginning of the year multiplied by the ratio of current year's principal and interest payments to the sum of current year's principal and interest payments plus future years' principal and interest payments. There were 15,337 and 4,024 shares released and allocated to participants during the years ended December 31, 2024 and 2023, respectively.

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 6. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500 as of December 31, 2024:

	December 31, 2024
Net assets available for benefits per the financial statements	\$ -
Accrued interest on interest bearing cash	(195,067)
Estimated distributions payable	12,435,620
Operating payables	119,537
Balance, end of year	\$ 12,360,090

The following is a reconciliation of the change in net assets available for benefits per the financial statements to Form 5500 for the year ended December 31, 2024:

	2024
Change in net assets available for benefits per the financial statements	\$ (6,646,697)
Interest income on interest bearing cash	(195,067)
Net assets in liquidation	12,435,620
Administrative expenses	119,537
Balance, end of year	\$ 5,713,393

Note 7. FEDERAL INCOME TAX STATUS

The Internal Revenue Service (IRS) determined and informed the Company by a letter dated January 26, 2023 that the Plan and related trust were designed in accordance with applicable sections of the IRC. The Plan was amended subsequent to that date. However, the Plan administrator and the Plan's tax counsel believed that the Plan was designed and operated in compliance with the applicable requirements of the IRC and, therefore, believed that the Plan was qualified, and the related trust was tax-exempt.

Subsequent to the Termination Date, Plan management submitted a request for a favorable determination letter from the IRS regarding the Plan's termination. During July 2025, the IRS issued a determination letter stating that the termination of the Plan was in accordance with applicable provisions of the IRC. Accordingly, the Plan's trust continues to be tax-exempt.

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 7. FEDERAL INCOME TAX STATUS (continued)

Plan management evaluates tax positions taken by the Plan and recognizes a tax liability for an uncertain position if it is not more likely than not that the position would be sustained upon examination by the Internal Revenue Service. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that, as of December 31, 2024, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing authorities; however, there are currently no audits for any tax periods since inception of the Plan.

Note 8. PARTIES-IN-INTEREST

Certain expenses of the Plan are paid by the Company. The Company is the sponsor of the Plan and, therefore, these transactions qualify as party-in-interest.

Company contributions and Company dividends were paid by the Company and were held and managed by the Trustee. As a result, these transactions qualify as party-in-interest transactions.

Note 9. NET ASSETS IN LIQUIDATION

All participant account balances became fully vested as of the Termination Date, and the Plan administrator began the process of liquidating Plan assets and settling obligations. During February 2025, the Plan distributed 70% of the participants eligible account balances in accordance with the termination amendment (Note 1). The Plan expects liquidation of the remaining Plan assets to be complete during 2025.

The Plan has accrued estimated administrative expenses for costs expected to be incurred for the remainder of the liquidation period totaling \$119,537, which include legal, audit, recordkeeping, and distribution processing fees. The Plan has accrued interest on interest bearing cash totaling \$195,067 which represents interest income expected to be earned through the remainder of the liquidation period. These costs and income are management's best estimate based on information available as of the reporting date. Actual costs may differ from these estimates. The accrued costs and income are estimated to be earned and paid through September 30, 2025.

Note 10. SUBSEQUENT EVENTS

Subsequent events were evaluated for accrual and disclosure through September 26, 2025, which is the date the 2024 financial statements were available to be issued.

SUPPLEMENTAL SCHEDULES

Schedule of Assets (Held at End of Year)
Attachment to Schedule H (Form 5500) - Line 4i (Part IV)

Plan Name: Malk Employee Stock Ownership Plan
Plan Year: 1/1/24 - 12/31/24
EIN: 46-4784414
Plan No: 002

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment Including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	Pacific Premier Bank	Interest bearing cash (4.01% as of December 31, 2024)	\$ 12,360,090	\$ 12,360,090

Schedule of Reportable Transactions

Attachment to Schedule H (Form 5500) - Line 4j (Part IV)

Plan Name: Malk Employee Stock Ownership Plan
Plan Year: 1/1/24 - 12/31/24
EIN: 46-4784414
Plan No: 002

(a) Identity of party involved	(b) Description of asset (include interest rate and maturity in case of a loan)	(c) Purchase Price	(d) Selling Price	(e) Lease rental	(f) Expense incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
Malk Sustainability Partners PBC, Inc.	Sponsor company class B preferred stock	\$ -	\$ 12,265,000	\$ -	\$ -	\$ 8,300,000	\$ 12,265,000	\$ 3,965,000

Malk Employee Stock Ownership Plan
Financial Statements and Supplemental Schedules
December 31, 2024 and 2023

LEVITZACKS CPAs, LLP
451 A STREET, SUITE 500
SAN DIEGO, CA 92101



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Trustee of
Malk Employee Stock Ownership Plan
San Diego, California

Opinion

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

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the net assets available for benefits of Malk Employee Stock Ownership Plan as of December 31, 2024 (in liquidation) and 2023 (ongoing), and the changes in its net assets available for benefits for the years ended December 31, 2024 (in liquidation) and 2023 (ongoing), 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 Malk Employee Stock Ownership Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter—Plan Termination and Liquidation Basis of Accounting

As discussed in Note 1 to the financial statements, the governing body of Malk Employee Stock Ownership Plan approved a plan of liquidation on October 8, 2024, and management determined liquidation is imminent. As a result, the Plan has changed its basis of accounting from the going concern basis used in presenting the 2023 financial statements to the liquidation basis used in presenting the 2024 financial statements. Our opinion is not modified with respect to this matter.

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INDEPENDENT AUDITOR'S REPORT (continued)

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.

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.

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INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 Malk 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.

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 of Assets (Held at End of Year) and Schedule of Reportable Transactions as of and for the year ended December 31, 2024 are presented for the purpose of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with 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.

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INDEPENDENT AUDITOR'S REPORT
(continued)

Supplemental Schedules Required by ERISA (continued)

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 is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

LevitZacks

LEVITZACKS CPAs, LLP
San Diego, California
September 26, 2025

Malk Employee Stock Ownership Plan
Statements of Net Assets Available for Benefits
December 31, 2024 (in liquidation) and 2023 (ongoing)

	2024 (Liquidation Basis)			2023 (Ongoing Basis)		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Assets:						
Investments:						
Interest bearing cash	\$ 12,360,090	\$ -	\$ 12,360,090	\$ -	\$ -	\$ -
Malk Sustainability Partners, LLC Class B ESOP convertible preferred stock, at estimated fair value	-	-	-	4,003,890	4,187,910	8,191,800
Total investments	12,360,090	-	12,360,090	4,003,890	4,187,910	8,191,800
Other Assets:						
Accrued interest on interest bearing cash	195,067	-	195,067	-	-	-
Non-interest bearing cash	-	-	-	-	148	148
Company contributions receivable	-	-	-	-	2,506,102	2,506,102
Total other assets	195,067	-	195,067	-	2,506,250	2,506,250
Total assets	12,555,157	-	12,555,157	4,003,890	6,694,160	10,698,050
Liabilities:						
Estimated distributions payable	12,435,620	-	12,435,620	-	-	-
Operating payables	119,537	-	119,537	-	148	148
Note payable	-	-	-	-	4,051,205	4,051,205
Total liabilities	12,555,157	-	12,555,157	-	4,051,353	4,051,353
Net assets available for benefits	\$ -	\$ -	\$ -	\$ 4,003,890	\$ 2,642,807	\$ 6,646,697

See accompanying notes to financial statements.

Malk Employee Stock Ownership Plan
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2024 (in liquidation) and 2023 (ongoing)

	2024 (Liquidation Basis)			2023 (Ongoing Basis)		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Additions to net assets:						
Company contributions	\$ -	\$ 1,594,388	\$ 1,594,388	\$ -	\$ 2,506,102	\$ 2,506,102
Interest income on interest bearing cash	290,157	-	290,157	-	-	-
Net appreciation in fair value of Malk Sustainability Partners, LLC Class B ESOP convertible preferred stock	1,990,850	2,082,350	4,073,200	-	-	-
Dividend income on Malk Sustainability Partners, LLC Class B ESOP convertible preferred stock	-	-	-	279,675	508,924	788,599
Allocation of 15,337 and 4,024 shares, respectively, of Malk Sustainability Partners, LLC Class B ESOP convertible preferred stock, at estimated fair value for the years ended December 31, 2024 and 2023, respectively	6,270,260	-	6,270,260	1,098,681	-	1,098,681
Transfer of assets from allocated to unallocated	-	-	-	-	279,675	279,675
Total additions	8,551,267	3,676,738	12,228,005	1,378,356	3,294,701	4,673,057
Deductions from net assets:						
Net assets in liquidation	12,435,620	-	12,435,620	-	-	-
Allocation of 15,337 and 4,024 shares, respectively, of Malk Sustainability Partners, LLC Class B ESOP convertible preferred stock, at estimated fair value for the years ended December 31, 2024 and 2023, respectively	-	6,270,260	6,270,260	-	1,098,681	1,098,681
Net depreciation in fair value of Malk Sustainability Partners, LLC Class B ESOP convertible preferred stock	-	-	-	160,017	291,183	451,200
Interest expense	-	49,285	49,285	-	82,768	82,768
Administrative expenses	119,537	-	119,537	-	200	200
Transfer of assets from allocated to unallocated	-	-	-	279,675	-	279,675
Total deductions	12,555,157	6,319,545	18,874,702	439,692	1,472,832	1,912,524
Net increase (decrease)	(4,003,890)	(2,642,807)	(6,646,697)	938,664	1,821,869	2,760,533
Net assets available for benefits:						
Beginning of year	4,003,890	2,642,807	6,646,697	3,065,226	820,938	3,886,164
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,003,890</u>	<u>\$ 2,642,807</u>	<u>\$ 6,646,697</u>

See accompanying notes to financial statements.

Malk Employee Stock Ownership Plan
Notes to Financial Statements
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 1. DESCRIPTION OF THE PLAN

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

General

Malk Sustainability Partners, LLC (the Company) established the Plan, an employee stock ownership plan (ESOP), effective January 1, 2020. The Plan is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986 (IRC), as amended, and is subject to the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by the Company and an administrative committee appointed by the Company's Board of Directors. An independent third-party serves as the Plan's Trustee.

In September 2021, the Plan acquired 30,000 shares of Company Class B ESOP Convertible Preferred Stock (ESOP stock) by issuing notes payable of \$2,960,000 to the selling shareholder (Seller Note) and \$5,340,000 to the Company (the ESOP Loan). During September 2021, the Plan repaid \$690,815 of principal on the ESOP Loan. In October 2021, the Seller Note and ESOP Loan were assumed by the Company in exchange for a note payable from the Plan to the Company of \$7,609,185 (Internal Note).

The Seller Note and ESOP Loan were collateralized by the unallocated shares of the ESOP stock and guaranteed by the Company. As the Plan made each payment of principal and interest on the Internal Note, an appropriate percentage of shares were allocated to eligible employees' accounts in accordance with applicable regulations under the IRC. The lenders had no collateral rights against the shares once they were allocated under the ESOP. As of December 31, 2024 and 2023, -0- and 15,337 shares, respectively, remain unallocated to participant accounts. Accordingly, the financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to:

- a) The accounts of participants with vested and nonvested rights in allocated shares (allocated), and
- b) Shares not yet allocated to participants (unallocated).

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 1. DESCRIPTION OF THE PLAN (continued)

Plan Termination

On September 16, 2024, the Company, the Trustee, and a third-party entered into a stock purchase agreement and the Company terminated the Plan, effective October 8, 2024 (the Termination Date), subject to the provisions of ERISA. In conjunction with the termination, i) the participants' accounts were credited with proceeds from the sale of the ESOP stock allocated to such participants, ii) the Plan ceased to be an employee stock ownership plan and iii) became a terminating profit-sharing plan. Until all assets are fully distributed, the Trustee will invest the Plan assets as directed by the Plan Administrator. As of the termination date, no further Company contributions will be made, nor accepted by the Plan. Final distributions will be determined based on all participants being 100% vested, and will be made as soon as practicable after the Termination Date.

Eligibility

Employees of the Company who were not covered under collective bargaining agreements were eligible to participate in the Plan as of the first day of the plan year in which the employee attained age 18. Participants who did not have at least 1,000 hours of service or who were not employed on the last day of the plan year were not eligible to receive company contributions or stock allocations for that year, unless the participant did not meet these requirements due to normal retirement, death, or disability during the year. No new participants shall enter the Plan on or after the Termination Date.

Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Prior to 2024, each participant's account was credited as of the last day of each Plan year with an allocation of contributions and an allocation of forfeitures of terminated participants' non-vested accounts. During the year ended December 31, 2024, each participant's account was credited as of the Termination Date with an allocation of contributions and an allocation of forfeitures of terminated participants' non-vested accounts.

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 1. DESCRIPTION OF THE PLAN (continued)

Participant Accounts (continued)

In general, only those participants who were eligible employees of the Company as of the last day of the year would receive an allocation. Allocations of contributions, unallocated dividends, and forfeitures were based on a participant's eligible compensation, relative to total compensation. Dividends on allocated plan assets were 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.

Contributions

The Company could make contributions to the Plan at its discretion. As of the Termination Date, no new contributions shall be made to the Plan, except for corrective contributions or any other contributions required by the IRS. There were \$1,594,388 and \$2,506,102 of discretionary employer contributions for the years ended December 31, 2024 and 2023, respectively, for additional funding to pay down the Internal Note. Participants are not permitted to make contributions to the Plan.

Company Dividends

The Company paid dividends to the Plan totaling \$-0- and \$788,599 during the years ended December 31, 2024 and 2023, respectively. Dividends paid to allocated shares totaling \$-0- and \$279,675 were used to pay down the Internal Note during the years ended December 31, 2024 and 2023, respectively. This is presented as a transfer from the allocated accounts to unallocated accounts on the statement of changes in net assets available for benefits.

Benefits

As of the Termination Date, the accounts maintained by participants were credited with proceeds from the sale of the ESOP stock allocated to such participants. Final distributions will be determined based on all participants being 100% vested, and will be made as soon as practicable after the Termination Date. Participant accounts are distributed in cash. No portion of a participant's benefit can be distributed in-kind.

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 1. DESCRIPTION OF THE PLAN (continued)

Vesting

Participants whose employment with the Company ended due to normal retirement, death, or disability became fully vested in their account when that event occurred. If a participant's employment with the Company ended for any reason other than normal retirement, death, or disability, vesting was based on total years of service. Eligible participants meeting the age and minimum hour requirements began vesting after one year of service and become 100% vested after four years of service. As of the Termination Date, the accounts of Plan participants became fully vested and nonforfeitable.

Voting Rights

Shares of ESOP stock were voted by the Trustee, as directed by the plan participants. Under certain conditions (i.e. corporate merger or consolidation, liquidation, dissolution, etc.), each participant was entitled to exercise voting rights attributable to the shares allocated to his or her account. The Trustee was required to vote any unallocated shares in a manner determined to be consistent with ERISA and the IRC.

Put Option

The ESOP stock held by the Plan and its participants was not readily tradable on an established market. Therefore, in accordance with federal income tax regulations, the ESOP stock included a put option.

Diversification

Diversification was offered to participants close to retirement so that they had the opportunity to move part of the value of their investment in ESOP stock into investments which are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan could elect to diversify a portion of their account. Diversification was offered to each eligible participant over a six-year period. In each of the first five years, a participant could diversify up to 25% of the number of shares of ESOP stock allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. No further diversification elections are permitted on or after the Termination Date.

Forfeitures

ESOP stock forfeitures are allocated back to eligible participants. During 2024 and 2023, there were no ESOP stock forfeitures.

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 2. SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting

Management determined liquidation was imminent as of the Termination Date. As a result, the Plan changed its basis of accounting from the going concern basis used in the presentation of the 2023 financial statements to the liquidation basis used in the presentation of the 2024 financial statements. Under the liquidation basis of accounting, the financial statements are prepared to reflect the estimated realizable value of assets and the expected settlement amounts of liabilities, including costs expected to be incurred during the liquidation period.

Cash

Cash includes cash in money market accounts with a bank. The Plan maintains cash balances with the bank that may, at times, exceed federally insured limits. The cash is held for participant distributions.

Investment Valuation and Income Recognition

The ESOP shares of the Company were valued at estimated fair value based on an independent appraisal. Dividend income, if any, was recognized on the ex-dividend date. Net appreciation or depreciation in the estimated fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year. See Note 4 for discussion of fair value measurements.

Payment of Benefits

Benefits are recorded when paid.

Estimates

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

Administrative Expenses

Substantially all expenses for maintaining the Plan are paid by the Company.

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 3. INVESTMENTS

The Plan's investments in ESOP stock are presented in the following table:

	December 31, 2023	
	Allocated	Unallocated
Number of shares	14,663	15,337
Cost	\$ 4,056,774	\$ 4,243,226
Fair value per share	\$ 273.06	\$ 273.06
Fair value	\$ 4,003,890	\$ 4,187,910

Note 4. FAIR VALUE MEASUREMENTS

FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels:

Level 1 Fair Value Measurements

Fair values are based on publicly quoted prices in active markets for identical assets.

Level 2 Fair Value Measurements

Fair values are based on observable inputs other than publicly quoted prices in active markets for identical assets.

Level 3 Fair Value Measurements

Fair values are based on unobservable inputs used for valuing the asset.

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 4. FAIR VALUE MEASUREMENTS (continued)

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

Fair Value Measurements as of December 31, 2024 Using:

	Level 1	Level 2	Level 3	Total
Interest bearing cash	\$ 12,360,090	\$ -	\$ -	\$ 12,360,090
Total investments	\$ 12,360,090	\$ -	\$ -	\$ 12,360,090

Fair Value Measurements as of December 31, 2023 Using:

	Level 1	Level 2	Level 3	Total
ESOP stock	\$ -	\$ -	\$ 8,191,800	\$ 8,191,800
Total investments	\$ -	\$ -	\$ 8,191,800	\$ 8,191,800

The following table discloses the summary of changes in the fair value of the Plan's Level 3 investment assets for the year ended December 31, 2024:

	ESOP Stock
Balance, beginning of year	\$ 8,191,800
Realized appreciation in estimated fair value	4,073,200
Sale of ESOP stock	(12,265,000)
Balance, end of year	\$ -

Note upon sale of ESOP stock, the level 3 investment was transferred to a level 1 investment (interest bearing cash).

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 4. FAIR VALUE MEASUREMENTS (continued)

The following table discloses the summary of changes in the fair value of the Plan's Level 3 investment assets for the year ended December 31, 2023:

	ESOP Stock
Balance, beginning of year	\$ 8,643,000
Unrealized depreciation in estimated fair value	(451,200)
Balance, end of year	\$ 8,191,800

The following is a description of the valuation methodologies used for level 3 investments measured at fair value:

ESOP stock: Valued at fair value based upon an independent appraisal. This appraisal was based upon a combination of the market approach, which included both the guideline public companies and guideline transactions methods, and the income approach, which included the discounted cash flow method.

The following table sets forth the basic valuation techniques and inputs used in arriving at fair value:

Instrument	Valuation Technique	Unobservable Inputs
ESOP stock	Market Approach:	
	<ul style="list-style-type: none"> - Guideline Public Companies Method - Guideline Transaction Method 	<ul style="list-style-type: none"> - Comparability of guideline companies to subject company - Earnings multiples
	Income Approach:	
	<ul style="list-style-type: none"> - Discounted Cash Flow 	<ul style="list-style-type: none"> - Weighted-average cost of capital - Estimates of future cash flows

The valuation process involves Plan management selecting an independent appraiser. Plan management accumulates the data for the appraiser from reviewed financial statements of the Company, other financial information, and a five-year projection along with backlog data. The appraiser performs interviews of Company personnel related to business conditions and business development. The appraiser then prepares a preliminary report that Plan management reviews in detail. The appraisal is approved by the Trustee.

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 4. FAIR VALUE MEASUREMENTS (continued)

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

Note 5. NOTE PAYABLE

In September 2021, the Plan issued notes payable of \$2,960,000 to the selling shareholder (Seller Note) and \$5,340,000 to the Company (the ESOP Loan) to acquire 30,000 ESOP shares. During September 2021, the Plan repaid \$690,815 of principal on the ESOP Loan. In October 2021, the Seller Note and ESOP Loan were assumed by the Company in exchange for a note payable from the Plan to the Company of \$7,609,185 (Internal Note). The Internal Note originally required annual payments of \$580,731 consisting of principal plus 1.74% interest per annum, through 2035. Principal and interest payments were funded by Company contributions to the Plan and by dividend income received on Plan investments. The Plan Administrative Committee and Trustee could elect to make additional payments on the internal note. There were circumstances where the Plan Administrative Committee and Trustee made this election after the Plan year had ended. Additional payments of the internal note for the Plan year ended December 31, 2023, totaling \$2,506,102 were not made until September 2024 and were recorded as Company contributions receivable on the statement of net assets available for benefits as of December 31, 2023. The additional loan payments were included in the allocation of shares to participant accounts for the year ended December 31, 2023, however, the shares were not considered legally released, and, accordingly, were included in unallocated net assets available for benefits as of December 31, 2023. Due to the, as of December 31, 2023, the internal note was re-amortized and required annual payments of \$146,552, consisting of principal plus 1.74% interest per annum, through 2035. The Plan repaid the remaining \$4,051,205 of principal on the Internal Note during 2024, prior to the Termination Date.

The note was collateralized by unallocated shares of ESOP stock. Shares were released from collateral and allocated to participants as payments of principal and interest were made. The number of shares released each year was the number of unallocated shares at the beginning of the year multiplied by the ratio of current year's principal and interest payments to the sum of current year's principal and interest payments plus future years' principal and interest payments. There were 15,337 and 4,024 shares released and allocated to participants during the years ended December 31, 2024 and 2023, respectively.

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 6. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500 as of December 31, 2024:

	December 31, 2024
Net assets available for benefits per the financial statements	\$ -
Accrued interest on interest bearing cash	(195,067)
Estimated distributions payable	12,435,620
Operating payables	119,537
Balance, end of year	\$ 12,360,090

The following is a reconciliation of the change in net assets available for benefits per the financial statements to Form 5500 for the year ended December 31, 2024:

	2024
Change in net assets available for benefits per the financial statements	\$ (6,646,697)
Interest income on interest bearing cash	(195,067)
Net assets in liquidation	12,435,620
Administrative expenses	119,537
Balance, end of year	\$ 5,713,393

Note 7. FEDERAL INCOME TAX STATUS

The Internal Revenue Service (IRS) determined and informed the Company by a letter dated January 26, 2023 that the Plan and related trust were designed in accordance with applicable sections of the IRC. The Plan was amended subsequent to that date. However, the Plan administrator and the Plan's tax counsel believed that the Plan was designed and operated in compliance with the applicable requirements of the IRC and, therefore, believed that the Plan was qualified, and the related trust was tax-exempt.

Subsequent to the Termination Date, Plan management submitted a request for a favorable determination letter from the IRS regarding the Plan's termination. During July 2025, the IRS issued a determination letter stating that the termination of the Plan was in accordance with applicable provisions of the IRC. Accordingly, the Plan's trust continues to be tax-exempt.

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 7. FEDERAL INCOME TAX STATUS (continued)

Plan management evaluates tax positions taken by the Plan and recognizes a tax liability for an uncertain position if it is not more likely than not that the position would be sustained upon examination by the Internal Revenue Service. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that, as of December 31, 2024, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing authorities; however, there are currently no audits for any tax periods since inception of the Plan.

Note 8. PARTIES-IN-INTEREST

Certain expenses of the Plan are paid by the Company. The Company is the sponsor of the Plan and, therefore, these transactions qualify as party-in-interest.

Company contributions and Company dividends were paid by the Company and were held and managed by the Trustee. As a result, these transactions qualify as party-in-interest transactions.

Note 9. NET ASSETS IN LIQUIDATION

All participant account balances became fully vested as of the Termination Date, and the Plan administrator began the process of liquidating Plan assets and settling obligations. During February 2025, the Plan distributed 70% of the participants eligible account balances in accordance with the termination amendment (Note 1). The Plan expects liquidation of the remaining Plan assets to be complete during 2025.

The Plan has accrued estimated administrative expenses for costs expected to be incurred for the remainder of the liquidation period totaling \$119,537, which include legal, audit, recordkeeping, and distribution processing fees. The Plan has accrued interest on interest bearing cash totaling \$195,067 which represents interest income expected to be earned through the remainder of the liquidation period. These costs and income are management's best estimate based on information available as of the reporting date. Actual costs may differ from these estimates. The accrued costs and income are estimated to be earned and paid through September 30, 2025.

Note 10. SUBSEQUENT EVENTS

Subsequent events were evaluated for accrual and disclosure through September 26, 2025, which is the date the 2024 financial statements were available to be issued.

SUPPLEMENTAL SCHEDULES

Schedule of Assets (Held at End of Year)
Attachment to Schedule H (Form 5500) - Line 4i (Part IV)

Plan Name: Malk Employee Stock Ownership Plan
Plan Year: 1/1/24 - 12/31/24
EIN: 46-4784414
Plan No: 002

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment Including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	Pacific Premier Bank	Interest bearing cash (4.01% as of December 31, 2024)	\$ 12,360,090	\$ 12,360,090

Schedule of Reportable Transactions

Attachment to Schedule H (Form 5500) - Line 4j (Part IV)

Plan Name: Malk Employee Stock Ownership Plan
Plan Year: 1/1/24 - 12/31/24
EIN: 46-4784414
Plan No: 002

(a) Identity of party involved	(b) Description of asset (include interest rate and maturity in case of a loan)	(c) Purchase Price	(d) Selling Price	(e) Lease rental	(f) Expense incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
Malk Sustainability Partners PBC, Inc.	Sponsor company class B preferred stock	\$ -	\$ 12,265,000	\$ -	\$ -	\$ 8,300,000	\$ 12,265,000	\$ 3,965,000

Malk Employee Stock Ownership Plan
Financial Statements and Supplemental Schedules
December 31, 2024 and 2023

LEVITZACKS CPAs, LLP
451 A STREET, SUITE 500
SAN DIEGO, CA 92101



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Trustee of
Malk Employee Stock Ownership Plan
San Diego, California

Opinion

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

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the net assets available for benefits of Malk Employee Stock Ownership Plan as of December 31, 2024 (in liquidation) and 2023 (ongoing), and the changes in its net assets available for benefits for the years ended December 31, 2024 (in liquidation) and 2023 (ongoing), 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 Malk Employee Stock Ownership Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter—Plan Termination and Liquidation Basis of Accounting

As discussed in Note 1 to the financial statements, the governing body of Malk Employee Stock Ownership Plan approved a plan of liquidation on October 8, 2024, and management determined liquidation is imminent. As a result, the Plan has changed its basis of accounting from the going concern basis used in presenting the 2023 financial statements to the liquidation basis used in presenting the 2024 financial statements. Our opinion is not modified with respect to this matter.

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INDEPENDENT AUDITOR'S REPORT (continued)

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.

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.

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INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 Malk 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.

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 of Assets (Held at End of Year) and Schedule of Reportable Transactions as of and for the year ended December 31, 2024 are presented for the purpose of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with 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.

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INDEPENDENT AUDITOR'S REPORT
(continued)

Supplemental Schedules Required by ERISA (continued)

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 is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

LevitZacks

LEVITZACKS CPAs, LLP
San Diego, California
September 26, 2025

Malk Employee Stock Ownership Plan
Statements of Net Assets Available for Benefits
December 31, 2024 (in liquidation) and 2023 (ongoing)

	2024 (Liquidation Basis)			2023 (Ongoing Basis)		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Assets:						
Investments:						
Interest bearing cash	\$ 12,360,090	\$ -	\$ 12,360,090	\$ -	\$ -	\$ -
Malk Sustainability Partners, LLC Class B ESOP convertible preferred stock, at estimated fair value	-	-	-	4,003,890	4,187,910	8,191,800
Total investments	12,360,090	-	12,360,090	4,003,890	4,187,910	8,191,800
Other Assets:						
Accrued interest on interest bearing cash	195,067	-	195,067	-	-	-
Non-interest bearing cash	-	-	-	-	148	148
Company contributions receivable	-	-	-	-	2,506,102	2,506,102
Total other assets	195,067	-	195,067	-	2,506,250	2,506,250
Total assets	12,555,157	-	12,555,157	4,003,890	6,694,160	10,698,050
Liabilities:						
Estimated distributions payable	12,435,620	-	12,435,620	-	-	-
Operating payables	119,537	-	119,537	-	148	148
Note payable	-	-	-	-	4,051,205	4,051,205
Total liabilities	12,555,157	-	12,555,157	-	4,051,353	4,051,353
Net assets available for benefits	\$ -	\$ -	\$ -	\$ 4,003,890	\$ 2,642,807	\$ 6,646,697

See accompanying notes to financial statements.

Malk Employee Stock Ownership Plan
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2024 (in liquidation) and 2023 (ongoing)

	2024 (Liquidation Basis)			2023 (Ongoing Basis)		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Additions to net assets:						
Company contributions	\$ -	\$ 1,594,388	\$ 1,594,388	\$ -	\$ 2,506,102	\$ 2,506,102
Interest income on interest bearing cash	290,157	-	290,157	-	-	-
Net appreciation in fair value of Malk Sustainability Partners, LLC Class B ESOP convertible preferred stock	1,990,850	2,082,350	4,073,200	-	-	-
Dividend income on Malk Sustainability Partners, LLC Class B ESOP convertible preferred stock	-	-	-	279,675	508,924	788,599
Allocation of 15,337 and 4,024 shares, respectively, of Malk Sustainability Partners, LLC Class B ESOP convertible preferred stock, at estimated fair value for the years ended December 31, 2024 and 2023, respectively	6,270,260	-	6,270,260	1,098,681	-	1,098,681
Transfer of assets from allocated to unallocated	-	-	-	-	279,675	279,675
Total additions	8,551,267	3,676,738	12,228,005	1,378,356	3,294,701	4,673,057
Deductions from net assets:						
Net assets in liquidation	12,435,620	-	12,435,620	-	-	-
Allocation of 15,337 and 4,024 shares, respectively, of Malk Sustainability Partners, LLC Class B ESOP convertible preferred stock, at estimated fair value for the years ended December 31, 2024 and 2023, respectively	-	6,270,260	6,270,260	-	1,098,681	1,098,681
Net depreciation in fair value of Malk Sustainability Partners, LLC Class B ESOP convertible preferred stock	-	-	-	160,017	291,183	451,200
Interest expense	-	49,285	49,285	-	82,768	82,768
Administrative expenses	119,537	-	119,537	-	200	200
Transfer of assets from allocated to unallocated	-	-	-	279,675	-	279,675
Total deductions	12,555,157	6,319,545	18,874,702	439,692	1,472,832	1,912,524
Net increase (decrease)	(4,003,890)	(2,642,807)	(6,646,697)	938,664	1,821,869	2,760,533
Net assets available for benefits:						
Beginning of year	4,003,890	2,642,807	6,646,697	3,065,226	820,938	3,886,164
End of year	\$ -	\$ -	\$ -	\$ 4,003,890	\$ 2,642,807	\$ 6,646,697

See accompanying notes to financial statements.

Malk Employee Stock Ownership Plan
Notes to Financial Statements
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 1. DESCRIPTION OF THE PLAN

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

General

Malk Sustainability Partners, LLC (the Company) established the Plan, an employee stock ownership plan (ESOP), effective January 1, 2020. The Plan is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986 (IRC), as amended, and is subject to the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by the Company and an administrative committee appointed by the Company's Board of Directors. An independent third-party serves as the Plan's Trustee.

In September 2021, the Plan acquired 30,000 shares of Company Class B ESOP Convertible Preferred Stock (ESOP stock) by issuing notes payable of \$2,960,000 to the selling shareholder (Seller Note) and \$5,340,000 to the Company (the ESOP Loan). During September 2021, the Plan repaid \$690,815 of principal on the ESOP Loan. In October 2021, the Seller Note and ESOP Loan were assumed by the Company in exchange for a note payable from the Plan to the Company of \$7,609,185 (Internal Note).

The Seller Note and ESOP Loan were collateralized by the unallocated shares of the ESOP stock and guaranteed by the Company. As the Plan made each payment of principal and interest on the Internal Note, an appropriate percentage of shares were allocated to eligible employees' accounts in accordance with applicable regulations under the IRC. The lenders had no collateral rights against the shares once they were allocated under the ESOP. As of December 31, 2024 and 2023, -0- and 15,337 shares, respectively, remain unallocated to participant accounts. Accordingly, the financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to:

- a) The accounts of participants with vested and nonvested rights in allocated shares (allocated), and
- b) Shares not yet allocated to participants (unallocated).

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 1. DESCRIPTION OF THE PLAN (continued)

Plan Termination

On September 16, 2024, the Company, the Trustee, and a third-party entered into a stock purchase agreement and the Company terminated the Plan, effective October 8, 2024 (the Termination Date), subject to the provisions of ERISA. In conjunction with the termination, i) the participants' accounts were credited with proceeds from the sale of the ESOP stock allocated to such participants, ii) the Plan ceased to be an employee stock ownership plan and iii) became a terminating profit-sharing plan. Until all assets are fully distributed, the Trustee will invest the Plan assets as directed by the Plan Administrator. As of the termination date, no further Company contributions will be made, nor accepted by the Plan. Final distributions will be determined based on all participants being 100% vested, and will be made as soon as practicable after the Termination Date.

Eligibility

Employees of the Company who were not covered under collective bargaining agreements were eligible to participate in the Plan as of the first day of the plan year in which the employee attained age 18. Participants who did not have at least 1,000 hours of service or who were not employed on the last day of the plan year were not eligible to receive company contributions or stock allocations for that year, unless the participant did not meet these requirements due to normal retirement, death, or disability during the year. No new participants shall enter the Plan on or after the Termination Date.

Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Prior to 2024, each participant's account was credited as of the last day of each Plan year with an allocation of contributions and an allocation of forfeitures of terminated participants' non-vested accounts. During the year ended December 31, 2024, each participant's account was credited as of the Termination Date with an allocation of contributions and an allocation of forfeitures of terminated participants' non-vested accounts.

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 1. DESCRIPTION OF THE PLAN (continued)

Participant Accounts (continued)

In general, only those participants who were eligible employees of the Company as of the last day of the year would receive an allocation. Allocations of contributions, unallocated dividends, and forfeitures were based on a participant's eligible compensation, relative to total compensation. Dividends on allocated plan assets were 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.

Contributions

The Company could make contributions to the Plan at its discretion. As of the Termination Date, no new contributions shall be made to the Plan, except for corrective contributions or any other contributions required by the IRS. There were \$1,594,388 and \$2,506,102 of discretionary employer contributions for the years ended December 31, 2024 and 2023, respectively, for additional funding to pay down the Internal Note. Participants are not permitted to make contributions to the Plan.

Company Dividends

The Company paid dividends to the Plan totaling \$-0- and \$788,599 during the years ended December 31, 2024 and 2023, respectively. Dividends paid to allocated shares totaling \$-0- and \$279,675 were used to pay down the Internal Note during the years ended December 31, 2024 and 2023, respectively. This is presented as a transfer from the allocated accounts to unallocated accounts on the statement of changes in net assets available for benefits.

Benefits

As of the Termination Date, the accounts maintained by participants were credited with proceeds from the sale of the ESOP stock allocated to such participants. Final distributions will be determined based on all participants being 100% vested, and will be made as soon as practicable after the Termination Date. Participant accounts are distributed in cash. No portion of a participant's benefit can be distributed in-kind.

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 1. DESCRIPTION OF THE PLAN (continued)

Vesting

Participants whose employment with the Company ended due to normal retirement, death, or disability became fully vested in their account when that event occurred. If a participant's employment with the Company ended for any reason other than normal retirement, death, or disability, vesting was based on total years of service. Eligible participants meeting the age and minimum hour requirements began vesting after one year of service and become 100% vested after four years of service. As of the Termination Date, the accounts of Plan participants became fully vested and nonforfeitable

Voting Rights

Shares of ESOP stock were voted by the Trustee, as directed by the plan participants. Under certain conditions (i.e. corporate merger or consolidation, liquidation, dissolution, etc.), each participant was entitled to exercise voting rights attributable to the shares allocated to his or her account. The Trustee was required to vote any unallocated shares in a manner determined to be consistent with ERISA and the IRC.

Put Option

The ESOP stock held by the Plan and its participants was not readily tradable on an established market. Therefore, in accordance with federal income tax regulations, the ESOP stock included a put option.

Diversification

Diversification was offered to participants close to retirement so that they had the opportunity to move part of the value of their investment in ESOP stock into investments which are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan could elect to diversify a portion of their account. Diversification was offered to each eligible participant over a six-year period. In each of the first five years, a participant could diversify up to 25% of the number of shares of ESOP stock allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. No further diversification elections are permitted on or after the Termination Date.

Forfeitures

ESOP stock forfeitures are allocated back to eligible participants. During 2024 and 2023, there were no ESOP stock forfeitures.

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 2. SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting

Management determined liquidation was imminent as of the Termination Date. As a result, the Plan changed its basis of accounting from the going concern basis used in the presentation of the 2023 financial statements to the liquidation basis used in the presentation of the 2024 financial statements. Under the liquidation basis of accounting, the financial statements are prepared to reflect the estimated realizable value of assets and the expected settlement amounts of liabilities, including costs expected to be incurred during the liquidation period.

Cash

Cash includes cash in money market accounts with a bank. The Plan maintains cash balances with the bank that may, at times, exceed federally insured limits. The cash is held for participant distributions.

Investment Valuation and Income Recognition

The ESOP shares of the Company were valued at estimated fair value based on an independent appraisal. Dividend income, if any, was recognized on the ex-dividend date. Net appreciation or depreciation in the estimated fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year. See Note 4 for discussion of fair value measurements.

Payment of Benefits

Benefits are recorded when paid.

Estimates

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

Administrative Expenses

Substantially all expenses for maintaining the Plan are paid by the Company.

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 3. INVESTMENTS

The Plan's investments in ESOP stock are presented in the following table:

	December 31, 2023	
	Allocated	Unallocated
Number of shares	14,663	15,337
Cost	\$ 4,056,774	\$ 4,243,226
Fair value per share	\$ 273.06	\$ 273.06
Fair value	\$ 4,003,890	\$ 4,187,910

Note 4. FAIR VALUE MEASUREMENTS

FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels:

Level 1 Fair Value Measurements

Fair values are based on publicly quoted prices in active markets for identical assets.

Level 2 Fair Value Measurements

Fair values are based on observable inputs other than publicly quoted prices in active markets for identical assets.

Level 3 Fair Value Measurements

Fair values are based on unobservable inputs used for valuing the asset.

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 4. FAIR VALUE MEASUREMENTS (continued)

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

<u>Fair Value Measurements as of December 31, 2024 Using:</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Interest bearing cash	\$ 12,360,090	\$ -	\$ -	\$ 12,360,090
Total investments	<u>\$ 12,360,090</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,360,090</u>

<u>Fair Value Measurements as of December 31, 2023 Using:</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
ESOP stock	\$ -	\$ -	\$ 8,191,800	\$ 8,191,800
Total investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,191,800</u>	<u>\$ 8,191,800</u>

The following table discloses the summary of changes in the fair value of the Plan's Level 3 investment assets for the year ended December 31, 2024:

	<u>ESOP Stock</u>
Balance, beginning of year	\$ 8,191,800
Realized appreciation in estimated fair value	4,073,200
Sale of ESOP stock	<u>(12,265,000)</u>
Balance, end of year	<u>\$ -</u>

Note upon sale of ESOP stock, the level 3 investment was transferred to a level 1 investment (interest bearing cash).

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 4. FAIR VALUE MEASUREMENTS (continued)

The following table discloses the summary of changes in the fair value of the Plan's Level 3 investment assets for the year ended December 31, 2023:

	ESOP Stock
Balance, beginning of year	\$ 8,643,000
Unrealized depreciation in estimated fair value	(451,200)
Balance, end of year	\$ 8,191,800

The following is a description of the valuation methodologies used for level 3 investments measured at fair value:

ESOP stock: Valued at fair value based upon an independent appraisal. This appraisal was based upon a combination of the market approach, which included both the guideline public companies and guideline transactions methods, and the income approach, which included the discounted cash flow method.

The following table sets forth the basic valuation techniques and inputs used in arriving at fair value:

Instrument	Valuation Technique	Unobservable Inputs
ESOP stock	Market Approach:	
	<ul style="list-style-type: none"> - Guideline Public Companies Method - Guideline Transaction Method 	<ul style="list-style-type: none"> - Comparability of guideline companies to subject company - Earnings multiples
	Income Approach:	
	<ul style="list-style-type: none"> - Discounted Cash Flow 	<ul style="list-style-type: none"> - Weighted-average cost of capital - Estimates of future cash flows

The valuation process involves Plan management selecting an independent appraiser. Plan management accumulates the data for the appraiser from reviewed financial statements of the Company, other financial information, and a five-year projection along with backlog data. The appraiser performs interviews of Company personnel related to business conditions and business development. The appraiser then prepares a preliminary report that Plan management reviews in detail. The appraisal is approved by the Trustee.

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 4. FAIR VALUE MEASUREMENTS (continued)

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

Note 5. NOTE PAYABLE

In September 2021, the Plan issued notes payable of \$2,960,000 to the selling shareholder (Seller Note) and \$5,340,000 to the Company (the ESOP Loan) to acquire 30,000 ESOP shares. During September 2021, the Plan repaid \$690,815 of principal on the ESOP Loan. In October 2021, the Seller Note and ESOP Loan were assumed by the Company in exchange for a note payable from the Plan to the Company of \$7,609,185 (Internal Note). The Internal Note originally required annual payments of \$580,731 consisting of principal plus 1.74% interest per annum, through 2035. Principal and interest payments were funded by Company contributions to the Plan and by dividend income received on Plan investments. The Plan Administrative Committee and Trustee could elect to make additional payments on the internal note. There were circumstances where the Plan Administrative Committee and Trustee made this election after the Plan year had ended. Additional payments of the internal note for the Plan year ended December 31, 2023, totaling \$2,506,102 were not made until September 2024 and were recorded as Company contributions receivable on the statement of net assets available for benefits as of December 31, 2023. The additional loan payments were included in the allocation of shares to participant accounts for the year ended December 31, 2023, however, the shares were not considered legally released, and, accordingly, were included in unallocated net assets available for benefits as of December 31, 2023. Due to the, as of December 31, 2023, the internal note was re-amortized and required annual payments of \$146,552, consisting of principal plus 1.74% interest per annum, through 2035. The Plan repaid the remaining \$4,051,205 of principal on the Internal Note during 2024, prior to the Termination Date.

The note was collateralized by unallocated shares of ESOP stock. Shares were released from collateral and allocated to participants as payments of principal and interest were made. The number of shares released each year was the number of unallocated shares at the beginning of the year multiplied by the ratio of current year's principal and interest payments to the sum of current year's principal and interest payments plus future years' principal and interest payments. There were 15,337 and 4,024 shares released and allocated to participants during the years ended December 31, 2024 and 2023, respectively.

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 6. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500 as of December 31, 2024:

	December 31, 2024
Net assets available for benefits per the financial statements	\$ -
Accrued interest on interest bearing cash	(195,067)
Estimated distributions payable	12,435,620
Operating payables	119,537
Balance, end of year	\$ 12,360,090

The following is a reconciliation of the change in net assets available for benefits per the financial statements to Form 5500 for the year ended December 31, 2024:

	2024
Change in net assets available for benefits per the financial statements	\$ (6,646,697)
Interest income on interest bearing cash	(195,067)
Net assets in liquidation	12,435,620
Administrative expenses	119,537
Balance, end of year	\$ 5,713,393

Note 7. FEDERAL INCOME TAX STATUS

The Internal Revenue Service (IRS) determined and informed the Company by a letter dated January 26, 2023 that the Plan and related trust were designed in accordance with applicable sections of the IRC. The Plan was amended subsequent to that date. However, the Plan administrator and the Plan's tax counsel believed that the Plan was designed and operated in compliance with the applicable requirements of the IRC and, therefore, believed that the Plan was qualified, and the related trust was tax-exempt.

Subsequent to the Termination Date, Plan management submitted a request for a favorable determination letter from the IRS regarding the Plan's termination. During July 2025, the IRS issued a determination letter stating that the termination of the Plan was in accordance with applicable provisions of the IRC. Accordingly, the Plan's trust continues to be tax-exempt.

Malk Employee Stock Ownership Plan
Notes to Financial Statements
(continued)
December 31, 2024 (in liquidation) and 2023 (ongoing)

Note 7. FEDERAL INCOME TAX STATUS (continued)

Plan management evaluates tax positions taken by the Plan and recognizes a tax liability for an uncertain position if it is not more likely than not that the position would be sustained upon examination by the Internal Revenue Service. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that, as of December 31, 2024, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing authorities; however, there are currently no audits for any tax periods since inception of the Plan.

Note 8. PARTIES-IN-INTEREST

Certain expenses of the Plan are paid by the Company. The Company is the sponsor of the Plan and, therefore, these transactions qualify as party-in-interest.

Company contributions and Company dividends were paid by the Company and were held and managed by the Trustee. As a result, these transactions qualify as party-in-interest transactions.

Note 9. NET ASSETS IN LIQUIDATION

All participant account balances became fully vested as of the Termination Date, and the Plan administrator began the process of liquidating Plan assets and settling obligations. During February 2025, the Plan distributed 70% of the participants eligible account balances in accordance with the termination amendment (Note 1). The Plan expects liquidation of the remaining Plan assets to be complete during 2025.

The Plan has accrued estimated administrative expenses for costs expected to be incurred for the remainder of the liquidation period totaling \$119,537, which include legal, audit, recordkeeping, and distribution processing fees. The Plan has accrued interest on interest bearing cash totaling \$195,067 which represents interest income expected to be earned through the remainder of the liquidation period. These costs and income are management's best estimate based on information available as of the reporting date. Actual costs may differ from these estimates. The accrued costs and income are estimated to be earned and paid through September 30, 2025.

Note 10. SUBSEQUENT EVENTS

Subsequent events were evaluated for accrual and disclosure through September 26, 2025, which is the date the 2024 financial statements were available to be issued.

SUPPLEMENTAL SCHEDULES

Schedule of Assets (Held at End of Year)
Attachment to Schedule H (Form 5500) - Line 4i (Part IV)

Plan Name: Malk Employee Stock Ownership Plan
Plan Year: 1/1/24 - 12/31/24
EIN: 46-4784414
Plan No: 002

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment Including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	Pacific Premier Bank	Interest bearing cash (4.01% as of December 31, 2024)	\$ 12,360,090	\$ 12,360,090

Schedule of Reportable Transactions

Attachment to Schedule H (Form 5500) - Line 4j (Part IV)

Plan Name: Malk Employee Stock Ownership Plan
Plan Year: 1/1/24 - 12/31/24
EIN: 46-4784414
Plan No: 002

(a) Identity of party involved	(b) Description of asset (include interest rate and maturity in case of a loan)	(c) Purchase Price	(d) Selling Price	(e) Lease rental	(f) Expense incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
Malk Sustainability Partners PBC, Inc.	Sponsor company class B preferred stock	\$ -	\$ 12,265,000	\$ -	\$ -	\$ 8,300,000	\$ 12,265,000	\$ 3,965,000