

Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security
Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2024

This Form is Open to Public Inspection

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.) [x] 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: [x] Form 5558 [] automatic extension [] the DFVC program [] special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. []

Part II Basic Plan Information—enter all requested information

1a Name of plan: KATAHDIN TRUST COMPANY EMPLOYEE STOCK OWNERSHIP PLAN
1b Three-digit plan number (PN): 003
1c Effective date of plan: 10/01/2016
2a Plan sponsor's name (employer, if for a single-employer plan): KATAHDIN TRUST COMPANY
2b Employer Identification Number (EIN): 01-0099500
2c Plan Sponsor's telephone number: 855-331-3221
2d Business code (see instructions): 522120

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

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

Table with 4 columns: SIGN HERE, Signature, Date, and Name. Rows include plan administrator, employer/plan sponsor, and DFE.

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

Form 5500 (2024) v. 240311

3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	3b Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN	
	4d PN	
5 Total number of participants at the beginning of the plan year	5	218
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)	181
	6a(2)	179
	6b	13
	6c	31
	6d	223
	6e	0
	6f	223
	6g(1)	215
	6g(2)	223
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	b General Schedules
(1) <input checked="" type="checkbox"/> R (Retirement Plan Information)	(1) <input checked="" type="checkbox"/> H (Financial Information)
(2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) <input type="checkbox"/> I (Financial Information – Small Plan)
(3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(3) <input type="checkbox"/> A (Insurance Information) – Number Attached _____
(4) <input type="checkbox"/> DCG (Individual Plan Information) – Number Attached <u>0</u>	(4) <input checked="" type="checkbox"/> C (Service Provider Information)
(5) <input type="checkbox"/> MEP (Multiple-Employer Retirement Plan Information)	(5) <input type="checkbox"/> D (DFE/Participating Plan Information)
	(6) <input type="checkbox"/> G (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2024 Form M-1 annual report. If the plan was not required to file the 2024 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection.
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For calendar plan year 2024 or fiscal plan year beginning **01/01/2024** and ending **12/31/2024**

A Name of plan KATAHDIN TRUST COMPANY EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶	003
C Plan sponsor's name as shown on line 2a of Form 5500 KATAHDIN TRUST COMPANY	D Employer Identification Number (EIN) 01-0099500	

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

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

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

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

a Name: BERRY, DUNN, MCNEIL & PARKER, LLC	b EIN: 01-0523282
c Position: ACCOUNTANT	
d Address: 2211 CONGRESS STREET PORTLAND, ME 04102	e Telephone: 207-541-2200

Explanation: TERMINATION

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 KATAHDIN TRUST COMPANY EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 KATAHDIN TRUST COMPANY	D Employer Identification Number (EIN) 01-0099500

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	
b Receivables (less allowance for doubtful accounts):		
(1) Employer contributions	1b(1)	
(2) Participant contributions	1b(2)	
(3) Other	1b(3)	
c General investments:		
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	50315
(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)	2120000	2183600
(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	2168243	2233915
Liabilities			
g Benefit claims payable.....	1g		
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j	253906	195023
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	253906	195023
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	1914337	2038892

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)	71614	
(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)		71614
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	137	
(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)		137
(2) Dividends:			
(A) Preferred stock.....	2b(2)(A)		
(B) Common stock.....	2b(2)(B)	59360	
(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)		59360
(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)	63599	
(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		194710

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	57425	
(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)		57425
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		12730
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		70155

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		124555
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: **BDMP ASSURANCE, LLP**

(2) EIN: **99-4708358**

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		7000000
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.	X		

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

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

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

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

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

SCHEDULE R (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection.
--	---	---

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

A Name of plan <u>KATAHDIN TRUST COMPANY EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶	<u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>KATAHDIN TRUST COMPANY</u>	D Employer Identification Number (EIN) <u>01-0099500</u>	

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

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

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

1		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): 33-6134835

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 _____.



Katahdin Trust Company Employee Stock Ownership Plan

FINANCIAL STATEMENTS

and

SUPPLEMENTAL SCHEDULE

December 31, 2024 and 2023

With Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

Audit Committee
Katahdin Trust Company Employee Stock Ownership Plan

Opinion on the 2024 Financial Statements

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2024, and the changes in its net assets available for benefits for the year then ended, in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

Basis for Opinion on the 2024 Financial Statements

We conducted our audit in accordance with U.S. generally accepted auditing standards (U.S. GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 2024 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the 2024 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the 2024 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 U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

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

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

Other Matters

2024 Supplemental Schedule Required by ERISA

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets (held at end of year) is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's (DOL) 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 U.S. GAAS.

Audit Committee
Katahdin Trust Company Employee Stock Ownership Plan

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedule is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

2023 Financial Statements

The financial statements of the Plan as of December 31, 2023 were audited by Berry, Dunn, McNeil & Parker, LLC whose report dated September 9, 2024 expressed an unmodified opinion on those statements.

BDMF Assurance, LLP

Portland, Maine
October 6, 2025

KATAHDIN TRUST COMPANY EMPLOYEE STOCK OWNERSHIP PLAN

Statements of Net Assets Available for Benefits

December 31, 2024 and 2023

	2024			2023		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Assets						
Investments, at fair value						
Katahdin Bankshares						
Corp. common stock	\$ 1,920,038	\$ 263,562	\$ 2,183,600	\$ 1,778,820	\$ 341,180	\$ 2,120,000
Interest bearing cash	<u>50,315</u>	<u>-</u>	<u>50,315</u>	<u>48,243</u>	<u>-</u>	<u>48,243</u>
Total investments	<u>1,970,353</u>	<u>263,562</u>	<u>2,233,915</u>	<u>1,827,063</u>	<u>341,180</u>	<u>2,168,243</u>
Total assets	<u>1,970,353</u>	<u>263,562</u>	<u>2,233,915</u>	<u>1,827,063</u>	<u>341,180</u>	<u>2,168,243</u>
Liabilities						
Notes payable to Katahdin Bankshares Corp.	<u>-</u>	<u>195,023</u>	<u>195,023</u>	<u>-</u>	<u>253,906</u>	<u>253,906</u>
Total liabilities	<u>-</u>	<u>195,023</u>	<u>195,023</u>	<u>-</u>	<u>253,906</u>	<u>253,906</u>
Net assets available for benefits	<u>\$ 1,970,353</u>	<u>\$ 68,539</u>	<u>\$ 2,038,892</u>	<u>\$ 1,827,063</u>	<u>\$ 87,274</u>	<u>\$ 1,914,337</u>

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

KATAHDIN TRUST COMPANY EMPLOYEE STOCK OWNERSHIP PLAN

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2024

	Allocated	Unallocated	Total
Additions to net assets attributed to:			
Employer contributions	\$ -	\$ 71,614	\$ 71,614
Interest income	137	-	137
Dividend income	59,360	-	59,360
Net unrealized appreciation in fair value of Katahdin Bankshares Corp. common stock	53,364	10,235	63,599
Allocation of 3,412 shares of Katahdin Bankshares Corp. common stock, at fair value	87,854	-	87,854
Total additions to net assets	200,715	81,849	282,564
Deductions from net assets attributed to:			
Distributions paid to participants	57,425	-	57,425
Interest expense	-	12,730	12,730
Allocation of 3,412 shares of Katahdin Bankshares Corp. common stock, at fair value	-	87,854	87,854
Total deductions from net assets	57,425	100,584	158,009
Net increase (decrease)	143,290	(18,735)	124,555
Net assets available for benefits:			
Beginning of year	1,827,063	87,274	1,914,337
End of year	\$ 1,970,353	\$ 68,539	\$ 2,038,892

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

KATAHDIN TRUST COMPANY EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2024 and 2023

1. Description of Plan

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

General

Katahdin Trust Company (the Bank or Plan Sponsor) established the Plan effective October 1, 2016. The Plan is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (the Code). The Plan is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by the Trustees appointed by the Bank, at the direction of the Bank's Board of Directors.

The Plan purchases common shares of Katahdin Bankshares Corp. (Bankshares) with funds borrowed (see Note 8), and holds the stock in a trust established under the Plan. As the Plan makes each payment of principal, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the Code.

The borrowings are collateralized by the unallocated shares of stock and are guaranteed by the Bank. The lender has no rights against shares once they are allocated under the employee stock ownership plan (ESOP). Accordingly, the financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to:

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

Eligibility

Any employee who is not 1) an independent contractor; 2) a leased employee; 3) an employee covered by a collective bargaining agreement; or 4) a nonresident alien who receives no U.S. income is eligible to participate in the Plan. An employee shall be eligible on his or her first day of employment, with enrollment dates on a quarterly basis.

Voting Rights

The Trustees typically will decide how shares of the common stock held by the Plan will be voted. In certain situations, the participants have the right to decide how shares of the common stock allocated to their accounts will be voted. The Trustees of the Plan will vote all common stock held by the Plan, provided that the participant or their beneficiary will be entitled to direct the Trustees as to the manner in which voting rights on shares of common stock which are allocated are to be exercised (i) with respect to any corporate matter which involves the voting of such shares with respect to the approval or disapproval of any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all assets of a trade or business, or such similar transaction, and (ii) with respect to all corporate matters if, at the time of the vote thereon, the common stock is a "registration-type" class of securities.

KATAHDIN TRUST COMPANY EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2024 and 2023

Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each Plan year with an allocation of shares of Bankshares common stock released by the Trustees from the unallocated account and forfeitures of terminated participants' non-vested accounts. Only those participants who are eligible employees of the Bank as of the last day of the Plan year will receive an allocation. Participants who terminate employment during the Plan year due to retirement, permanent disability, or death will also share in the allocation. Allocations are based on a participant's eligible compensation relative to total eligible compensation. Plan earnings are allocated to each participant's account based on the ratio of the participant's beginning of the year account balance to all participants' beginning of year account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Each participant will be vested based on years of service. Vesting begins at 25% after two years of service and the vested percentage increases by 25% per year until the participant is fully vested. A participant also becomes fully vested when the participant reaches the age of 65, or in the event of death or disability.

Benefit Payments

No distributions from the Plan are normally made until a participant reaches the retirement age of 65, dies, becomes disabled, or otherwise terminates employment with the Plan Sponsor. If a participant reaches the retirement age of 65 or otherwise terminates employment with the Plan Sponsor, the distribution of the vested account balance will commence as soon as administratively feasible following the retirement or termination of employment. If a participant terminates service due to death or disability, the distribution of the vested account balance will commence by the end of the Plan year following the Plan year in which the death or disability occurs. Distributions of vested balances in excess of \$5,000 require written consent by the participant and will generally be paid in equal annual installments over five years. Distributions of less than \$5,000 will generally be made as a lump sum. Distributions under the Plan of a participant's vested interest may be made in cash or in shares of Bankshares common stock or partially in cash and partially in shares of Bankshares common stock. During the year ended December 31, 2024, \$57,425 of benefit payments were made in cash.

Benefits are recorded when paid.

Put Option

Under Federal income tax regulations, the shares of Bankshares common stock that are held by the Plan and its participants and are not readily tradable on an established market, or are subject to trading limitations, include a put option. The put option is a right to demand that the Plan Sponsor buy any shares of its common stock distributed to participants for which there is no market. The

KATAHDIN TRUST COMPANY EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2024 and 2023

purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash. The put option shall commence as of the day following the date the shares of Bankshares common stock is distributed to the participant and end 60 days thereafter. If the put option is not exercised within that 60-day period, an additional 60-day window shall commence on the first day of the fifth month of the Plan year next following the date the shares of Bankshares common stock was distributed to the participant.

Diversification

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Bankshares common stock into investments that are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, eligible participants may diversify up to 25% of the number of shares of Bankshares common stock allocated to their account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. Participants who elect to diversify will receive a cash distribution.

Forfeitures

Forfeitures are allocated to eligible participants using the same formula as the allocation of unallocated shares of common stock for a Plan year. Forfeited cash and shares of terminated non-vested account balances allocated to remaining participants at December 31, 2024 and 2023 totaled \$237 and \$168 and 460.60 and 479.86 shares, respectively.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires Plan management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, and disclosure of contingent assets and liabilities, at the date of the financial statements. Actual results could differ from those estimates.

Investment in Bankshares Common Stock

The shares of Bankshares common stock are valued at estimated fair value, which is determined by annual independent appraisals. The estimated per share fair value at December 31, 2024 and 2023 was \$25.75 and \$25.00, respectively. See Note 7 for a discussion of fair value measurement.

Purchases and sales of securities are recorded on the trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

KATAHDIN TRUST COMPANY EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2024 and 2023

Administrative Expenses

Substantially all administrative expenses are paid by the Plan Sponsor.

Risks and Uncertainties

Shares of Bankshares common stock are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with this investment in the common stock and to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in the value of the shares of common stock will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Subsequent Events

Management has considered transactions or events occurring through October 6, 2025, which is the date that the financial statements were available to be issued. Management has not evaluated subsequent events after that date for inclusion in the financial statements.

3. Income Tax Status

The Plan obtained its latest determination letter on November 9, 2017, in which the Internal Revenue Service stated that the Plan was qualified under the appropriate sections of the Code. The Plan Sponsor believes the Plan is currently designed and being operated in compliance with the applicable requirements of the Code. Therefore, the Plan Sponsor believes the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

4. Plan Termination

The Plan Sponsor reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan's terms and the Code. Upon termination of the Plan, the plan administrator shall direct the Trustees to pay all liabilities and expenses of the trust fund and to sell shares of financed stock held in the loan suspense account to the extent it determines such sale to be necessary in order to repay the loans. In the event of Plan termination, participants will become fully vested in their accounts.

5. Administration of Plan Assets

The Plan's assets, which consist principally of shares of Bankshares common stock, are held by the Trustees of the Plan. The Trustees also administer the payment of interest and principal on the loans, which is reimbursed to the Plan through contributions as determined by the Plan Sponsor. Certain administrative functions are performed by officers or employees of the Plan Sponsor. No such officer or employee receives compensation from the Plan.

KATAHDIN TRUST COMPANY EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2024 and 2023

6. Investment in Bankshares Common Stock

The Plan's non-participant directed investments in shares of Bankshares common stock at December 31 are as follows:

	<u>2024</u>		<u>2023</u>	
	<u>Allocated</u>	<u>Unallocated</u>	<u>Allocated</u>	<u>Unallocated</u>
Number of shares of common stock	74,565	10,235	71,153	13,647
Estimated fair value	\$ 1,920,038	\$ 263,562	\$ 1,778,820	\$ 341,180
Cost	\$ 1,025,882	\$ 167,603	\$ 970,010	\$ 223,475

The Plan's only non-participant directed investment during 2024 and 2023 is the common stock of Bankshares.

7. Fair Value Measurement

The Plan's investments are reported at fair value in the accompanying statements of net assets available for benefits. The fair value measurements accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 contains inputs to the valuation methodology that are unobservable and significant to the fair value measurement. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its instruments. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

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

The fair value of the interest-bearing cash is based on cost, which approximates fair value.

The fair value of Bankshares' common stock is determined based on annual independent appraisals. The appraisals were based on a weighted combination of an income and various market value approaches using price/earnings, price/book value, price/tangible book value and prior transactions, then discounted for lack of marketability due to the closely held nature of the common stock.

KATAHDIN TRUST COMPANY EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2024 and 2023

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Bankshares common stock	\$ -	\$ -	\$ 2,183,600	\$ 2,183,600
Interest bearing cash	<u>50,315</u>	<u>-</u>	<u>-</u>	<u>50,315</u>
Total assets at fair value	\$ <u>50,315</u>	\$ <u>-</u>	\$ <u>2,183,600</u>	\$ <u>2,233,915</u>

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Bankshares common stock	\$ -	\$ -	\$ 2,120,000	\$ 2,120,000
Interest bearing cash	<u>48,243</u>	<u>-</u>	<u>-</u>	<u>48,243</u>
Total assets at fair value	\$ <u>48,243</u>	\$ <u>-</u>	\$ <u>2,120,000</u>	\$ <u>2,168,243</u>

8. Notes Payable to Bankshares

In 2018, the Plan entered into a \$528,913 note payable agreement with Bankshares, the proceeds of which were used to purchase 32,300 shares of Bankshares common stock. The note payable is repayable annually with an interest rate of 5.00% for a term of nine years and six months. The outstanding balance on the note payable was \$195,023 and \$253,906 at December 31, 2024 and 2023, respectively. The note payable is collateralized by unallocated shares of Bankshares common stock.

The scheduled amortization of the notes payable is as follows:

2025	\$ 61,863
2026	64,956
2027	<u>68,204</u>
Total	\$ <u>195,023</u>

KATAHDIN TRUST COMPANY EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2024 and 2023

9. Party-in-Interest Transactions

The Plan owned 84,800 shares of Bankshares' common stock valued at \$2,183,600 and \$2,120,000 at December 31, 2024 and 2023, respectively. Bankshares is the holding company of the Bank, which is the Plan Sponsor and the guarantor and payor of the funds borrowed from Bankshares, amounting to \$195,023 and \$253,906 at December 31, 2024 and 2023, respectively. The Plan has interest bearing cash held in an account at the Bank, amounting to \$50,315 and \$48,243 at December 31, 2024 and 2023, respectively. Additionally, the Plan is administered by the Trustees, who act as the Plan's ESOP Committee, at the direction of the Bank's Board of Directors. Transactions between these parties qualify as party-in-interest transactions.

KATAHDIN TRUST COMPANY EMPLOYEE STOCK OWNERSHIP PLAN

**Schedule H, line 4i - Schedule of Assets (Held at End of Year)
EIN #01-0099500 Plan #003**

December 31, 2024

<u>(a)</u>	<u>(b)</u> Identity of Issue, Borrower, Lessor or Similar Party	<u>(c)</u> Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	<u>(d)</u> Cost	<u>(e)</u> Current Value
*	Katahdin Bankshares Corp.	84,800 shares of common stock	\$ 1,193,485	\$ 2,183,600
*	Katahdin Trust Company	Interest bearing cash	<u>50,315</u>	<u>50,315</u>
			<u>\$ 1,243,800</u>	<u>\$ 2,233,915</u>

* Identifies a party-in-interest to the Plan.



Katahdin Trust Company Employee Stock Ownership Plan

FINANCIAL STATEMENTS

and

SUPPLEMENTAL SCHEDULE

December 31, 2024 and 2023

With Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

Audit Committee
Katahdin Trust Company Employee Stock Ownership Plan

Opinion on the 2024 Financial Statements

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2024, and the changes in its net assets available for benefits for the year then ended, in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

Basis for Opinion on the 2024 Financial Statements

We conducted our audit in accordance with U.S. generally accepted auditing standards (U.S. GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 2024 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the 2024 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the 2024 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 U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

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

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

Other Matters

2024 Supplemental Schedule Required by ERISA

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets (held at end of year) is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's (DOL) 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 U.S. GAAS.

Audit Committee
Katahdin Trust Company Employee Stock Ownership Plan

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedule is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

2023 Financial Statements

The financial statements of the Plan as of December 31, 2023 were audited by Berry, Dunn, McNeil & Parker, LLC whose report dated September 9, 2024 expressed an unmodified opinion on those statements.

BDMF Assurance, LLP

Portland, Maine
October 6, 2025

KATAHDIN TRUST COMPANY EMPLOYEE STOCK OWNERSHIP PLAN

Statements of Net Assets Available for Benefits

December 31, 2024 and 2023

	2024			2023		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Assets						
Investments, at fair value						
Katahdin Bankshares						
Corp. common stock	\$ 1,920,038	\$ 263,562	\$ 2,183,600	\$ 1,778,820	\$ 341,180	\$ 2,120,000
Interest bearing cash	<u>50,315</u>	<u>-</u>	<u>50,315</u>	<u>48,243</u>	<u>-</u>	<u>48,243</u>
Total investments	<u>1,970,353</u>	<u>263,562</u>	<u>2,233,915</u>	<u>1,827,063</u>	<u>341,180</u>	<u>2,168,243</u>
Total assets	<u>1,970,353</u>	<u>263,562</u>	<u>2,233,915</u>	<u>1,827,063</u>	<u>341,180</u>	<u>2,168,243</u>
Liabilities						
Notes payable to Katahdin Bankshares Corp.	<u>-</u>	<u>195,023</u>	<u>195,023</u>	<u>-</u>	<u>253,906</u>	<u>253,906</u>
Total liabilities	<u>-</u>	<u>195,023</u>	<u>195,023</u>	<u>-</u>	<u>253,906</u>	<u>253,906</u>
Net assets available for benefits	<u>\$ 1,970,353</u>	<u>\$ 68,539</u>	<u>\$ 2,038,892</u>	<u>\$ 1,827,063</u>	<u>\$ 87,274</u>	<u>\$ 1,914,337</u>

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

KATAHDIN TRUST COMPANY EMPLOYEE STOCK OWNERSHIP PLAN

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2024

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
Additions to net assets attributed to:			
Employer contributions	\$ -	\$ 71,614	\$ 71,614
Interest income	137	-	137
Dividend income	59,360	-	59,360
Net unrealized appreciation in fair value of Katahdin Bankshares Corp. common stock	53,364	10,235	63,599
Allocation of 3,412 shares of Katahdin Bankshares Corp. common stock, at fair value	<u>87,854</u>	<u>-</u>	<u>87,854</u>
Total additions to net assets	<u>200,715</u>	<u>81,849</u>	<u>282,564</u>
Deductions from net assets attributed to:			
Distributions paid to participants	57,425	-	57,425
Interest expense	-	12,730	12,730
Allocation of 3,412 shares of Katahdin Bankshares Corp. common stock, at fair value	<u>-</u>	<u>87,854</u>	<u>87,854</u>
Total deductions from net assets	<u>57,425</u>	<u>100,584</u>	<u>158,009</u>
Net increase (decrease)	143,290	(18,735)	124,555
Net assets available for benefits:			
Beginning of year	<u>1,827,063</u>	<u>87,274</u>	<u>1,914,337</u>
End of year	<u>\$ 1,970,353</u>	<u>\$ 68,539</u>	<u>\$ 2,038,892</u>

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

KATAHDIN TRUST COMPANY EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2024 and 2023

1. Description of Plan

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

General

Katahdin Trust Company (the Bank or Plan Sponsor) established the Plan effective October 1, 2016. The Plan is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (the Code). The Plan is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by the Trustees appointed by the Bank, at the direction of the Bank's Board of Directors.

The Plan purchases common shares of Katahdin Bankshares Corp. (Bankshares) with funds borrowed (see Note 8), and holds the stock in a trust established under the Plan. As the Plan makes each payment of principal, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the Code.

The borrowings are collateralized by the unallocated shares of stock and are guaranteed by the Bank. The lender has no rights against shares once they are allocated under the employee stock ownership plan (ESOP). Accordingly, the financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to:

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

Eligibility

Any employee who is not 1) an independent contractor; 2) a leased employee; 3) an employee covered by a collective bargaining agreement; or 4) a nonresident alien who receives no U.S. income is eligible to participate in the Plan. An employee shall be eligible on his or her first day of employment, with enrollment dates on a quarterly basis.

Voting Rights

The Trustees typically will decide how shares of the common stock held by the Plan will be voted. In certain situations, the participants have the right to decide how shares of the common stock allocated to their accounts will be voted. The Trustees of the Plan will vote all common stock held by the Plan, provided that the participant or their beneficiary will be entitled to direct the Trustees as to the manner in which voting rights on shares of common stock which are allocated are to be exercised (i) with respect to any corporate matter which involves the voting of such shares with respect to the approval or disapproval of any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all assets of a trade or business, or such similar transaction, and (ii) with respect to all corporate matters if, at the time of the vote thereon, the common stock is a "registration-type" class of securities.

KATAHDIN TRUST COMPANY EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2024 and 2023

Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each Plan year with an allocation of shares of Bankshares common stock released by the Trustees from the unallocated account and forfeitures of terminated participants' non-vested accounts. Only those participants who are eligible employees of the Bank as of the last day of the Plan year will receive an allocation. Participants who terminate employment during the Plan year due to retirement, permanent disability, or death will also share in the allocation. Allocations are based on a participant's eligible compensation relative to total eligible compensation. Plan earnings are allocated to each participant's account based on the ratio of the participant's beginning of the year account balance to all participants' beginning of year account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Each participant will be vested based on years of service. Vesting begins at 25% after two years of service and the vested percentage increases by 25% per year until the participant is fully vested. A participant also becomes fully vested when the participant reaches the age of 65, or in the event of death or disability.

Benefit Payments

No distributions from the Plan are normally made until a participant reaches the retirement age of 65, dies, becomes disabled, or otherwise terminates employment with the Plan Sponsor. If a participant reaches the retirement age of 65 or otherwise terminates employment with the Plan Sponsor, the distribution of the vested account balance will commence as soon as administratively feasible following the retirement or termination of employment. If a participant terminates service due to death or disability, the distribution of the vested account balance will commence by the end of the Plan year following the Plan year in which the death or disability occurs. Distributions of vested balances in excess of \$5,000 require written consent by the participant and will generally be paid in equal annual installments over five years. Distributions of less than \$5,000 will generally be made as a lump sum. Distributions under the Plan of a participant's vested interest may be made in cash or in shares of Bankshares common stock or partially in cash and partially in shares of Bankshares common stock. During the year ended December 31, 2024, \$57,425 of benefit payments were made in cash.

Benefits are recorded when paid.

Put Option

Under Federal income tax regulations, the shares of Bankshares common stock that are held by the Plan and its participants and are not readily tradable on an established market, or are subject to trading limitations, include a put option. The put option is a right to demand that the Plan Sponsor buy any shares of its common stock distributed to participants for which there is no market. The

KATAHDIN TRUST COMPANY EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2024 and 2023

purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash. The put option shall commence as of the day following the date the shares of Bankshares common stock is distributed to the participant and end 60 days thereafter. If the put option is not exercised within that 60-day period, an additional 60-day window shall commence on the first day of the fifth month of the Plan year next following the date the shares of Bankshares common stock was distributed to the participant.

Diversification

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Bankshares common stock into investments that are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, eligible participants may diversify up to 25% of the number of shares of Bankshares common stock allocated to their account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. Participants who elect to diversify will receive a cash distribution.

Forfeitures

Forfeitures are allocated to eligible participants using the same formula as the allocation of unallocated shares of common stock for a Plan year. Forfeited cash and shares of terminated non-vested account balances allocated to remaining participants at December 31, 2024 and 2023 totaled \$237 and \$168 and 460.60 and 479.86 shares, respectively.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires Plan management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, and disclosure of contingent assets and liabilities, at the date of the financial statements. Actual results could differ from those estimates.

Investment in Bankshares Common Stock

The shares of Bankshares common stock are valued at estimated fair value, which is determined by annual independent appraisals. The estimated per share fair value at December 31, 2024 and 2023 was \$25.75 and \$25.00, respectively. See Note 7 for a discussion of fair value measurement.

Purchases and sales of securities are recorded on the trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

KATAHDIN TRUST COMPANY EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2024 and 2023

Administrative Expenses

Substantially all administrative expenses are paid by the Plan Sponsor.

Risks and Uncertainties

Shares of Bankshares common stock are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with this investment in the common stock and to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in the value of the shares of common stock will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Subsequent Events

Management has considered transactions or events occurring through October 6, 2025, which is the date that the financial statements were available to be issued. Management has not evaluated subsequent events after that date for inclusion in the financial statements.

3. Income Tax Status

The Plan obtained its latest determination letter on November 9, 2017, in which the Internal Revenue Service stated that the Plan was qualified under the appropriate sections of the Code. The Plan Sponsor believes the Plan is currently designed and being operated in compliance with the applicable requirements of the Code. Therefore, the Plan Sponsor believes the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

4. Plan Termination

The Plan Sponsor reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan's terms and the Code. Upon termination of the Plan, the plan administrator shall direct the Trustees to pay all liabilities and expenses of the trust fund and to sell shares of financed stock held in the loan suspense account to the extent it determines such sale to be necessary in order to repay the loans. In the event of Plan termination, participants will become fully vested in their accounts.

5. Administration of Plan Assets

The Plan's assets, which consist principally of shares of Bankshares common stock, are held by the Trustees of the Plan. The Trustees also administer the payment of interest and principal on the loans, which is reimbursed to the Plan through contributions as determined by the Plan Sponsor. Certain administrative functions are performed by officers or employees of the Plan Sponsor. No such officer or employee receives compensation from the Plan.

KATAHDIN TRUST COMPANY EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2024 and 2023

6. Investment in Bankshares Common Stock

The Plan's non-participant directed investments in shares of Bankshares common stock at December 31 are as follows:

	<u>2024</u>		<u>2023</u>	
	<u>Allocated</u>	<u>Unallocated</u>	<u>Allocated</u>	<u>Unallocated</u>
Number of shares of common stock	74,565	10,235	71,153	13,647
Estimated fair value	\$ 1,920,038	\$ 263,562	\$ 1,778,820	\$ 341,180
Cost	\$ 1,025,882	\$ 167,603	\$ 970,010	\$ 223,475

The Plan's only non-participant directed investment during 2024 and 2023 is the common stock of Bankshares.

7. Fair Value Measurement

The Plan's investments are reported at fair value in the accompanying statements of net assets available for benefits. The fair value measurements accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 contains inputs to the valuation methodology that are unobservable and significant to the fair value measurement. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its instruments. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

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

The fair value of the interest-bearing cash is based on cost, which approximates fair value.

The fair value of Bankshares' common stock is determined based on annual independent appraisals. The appraisals were based on a weighted combination of an income and various market value approaches using price/earnings, price/book value, price/tangible book value and prior transactions, then discounted for lack of marketability due to the closely held nature of the common stock.

KATAHDIN TRUST COMPANY EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2024 and 2023

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Bankshares common stock	\$ -	\$ -	\$ 2,183,600	\$ 2,183,600
Interest bearing cash	<u>50,315</u>	<u>-</u>	<u>-</u>	<u>50,315</u>
Total assets at fair value	\$ <u>50,315</u>	\$ <u>-</u>	\$ <u>2,183,600</u>	\$ <u>2,233,915</u>

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Bankshares common stock	\$ -	\$ -	\$ 2,120,000	\$ 2,120,000
Interest bearing cash	<u>48,243</u>	<u>-</u>	<u>-</u>	<u>48,243</u>
Total assets at fair value	\$ <u>48,243</u>	\$ <u>-</u>	\$ <u>2,120,000</u>	\$ <u>2,168,243</u>

8. Notes Payable to Bankshares

In 2018, the Plan entered into a \$528,913 note payable agreement with Bankshares, the proceeds of which were used to purchase 32,300 shares of Bankshares common stock. The note payable is repayable annually with an interest rate of 5.00% for a term of nine years and six months. The outstanding balance on the note payable was \$195,023 and \$253,906 at December 31, 2024 and 2023, respectively. The note payable is collateralized by unallocated shares of Bankshares common stock.

The scheduled amortization of the notes payable is as follows:

2025	\$ 61,863
2026	64,956
2027	<u>68,204</u>
Total	\$ <u>195,023</u>

KATAHDIN TRUST COMPANY EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements

December 31, 2024 and 2023

9. Party-in-Interest Transactions

The Plan owned 84,800 shares of Bankshares' common stock valued at \$2,183,600 and \$2,120,000 at December 31, 2024 and 2023, respectively. Bankshares is the holding company of the Bank, which is the Plan Sponsor and the guarantor and payor of the funds borrowed from Bankshares, amounting to \$195,023 and \$253,906 at December 31, 2024 and 2023, respectively. The Plan has interest bearing cash held in an account at the Bank, amounting to \$50,315 and \$48,243 at December 31, 2024 and 2023, respectively. Additionally, the Plan is administered by the Trustees, who act as the Plan's ESOP Committee, at the direction of the Bank's Board of Directors. Transactions between these parties qualify as party-in-interest transactions.

KATAHDIN TRUST COMPANY EMPLOYEE STOCK OWNERSHIP PLAN

**Schedule H, line 4i - Schedule of Assets (Held at End of Year)
EIN #01-0099500 Plan #003**

December 31, 2024

<u>(a)</u>	<u>(b)</u> Identity of Issue, Borrower, Lessor or Similar Party	<u>(c)</u> Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	<u>(d)</u> Cost	<u>(e)</u> Current Value
*	Katahdin Bankshares Corp.	84,800 shares of common stock	\$ 1,193,485	\$ 2,183,600
*	Katahdin Trust Company	Interest bearing cash	<u>50,315</u>	<u>50,315</u>
			<u>\$ 1,243,800</u>	<u>\$ 2,233,915</u>

* Identifies a party-in-interest to the Plan.